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SOIL CONSERVATION SERVICE FISCAL 1985 BUDGET PROPOSALS

HEARING

BEFORE THE

SUBCOMMITTEE ON
SOIL AND WATER CONSERVATION,
FORESTRY, AND ENVIRONMENT

OF THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

MARCH 6, 1984

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SOIL CONSERVATION SERVICE FISCAL 1985 BUDGET PROPOSALS

TUESDAY, MARCH 6, 1984

U.S. SENATE,
SUBCOMMITTEE ON SOIL AND WATER CONSERVATION,
FORESTRY, AND ENVIRONMENT OF THE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 1:30 p.m., in room 328–A, Russell Senate Office Building, Hon. Roger Jepsen (chairman of the subcommittee) presiding.

Present: Senators Jepsen and Huddleston.

STATEMENT OF HON. ROGER W. JEPSEN, A U.S. SENATOR FROM IOWA

Senator JEPSEN. This oversight hearing on the Department of Agriculture's soil and water conservation budget and the implementation of the national conservation program will now come to order.[1] We have a flurry of activities and meetings that are taking place all day, primarily in the agriculture area, this afternoon. At 1:45 it will be necessary for both Senator Huddleston and I to attend another meeting at which time we will continue with this, but the staff will, of necessity, have to chair.

I would also advise the witnesses to please be sure to use the microphones so that we might insure that our testimony is accurate and that we get a record of everything that is said here.

I would like to welcome Assistant Secretary John Crowell, and recognize the Chief of Soil Conservation Service, Peter Meyers who is accompanying him.

Mr. Crowell, for your information and for the benefit of the others present, the hearings will be conducted in a slightly different manner today.

The first part of the hearing will be conducted in the usual structured format with receipt of your testimony, followed by questions and answers. However, the second part of the hearing will be more informal and less structured.

The second part I will ask all of the remaining witnesses to come to the table together. Each witness is prepared to give a 3- or 4-minute comment on the discussion that we have, and a statement on what they or their organization feels is a priority that needs to be addressed in conservation policy. Following each person's com-

[1] See p. 40 for the prepared statement of Senator Jepsen.

ments, we will engage in a roundtable discussion on these points and on the questions that you have responded to. This is in keeping with the thrust that we have made in the last couple of years with the idea and the understanding that forging agriculture policy or conservation policy ought to be done on the basis of consensus, not conflict. That consensus includes everybody that is involved, and there are an awful lot of folks involved besides the producers who go out and till the field and conservation. We have had groups that have been meeting, to try and reach this consensus, some of which, or a number of which, will be around this roundtable today.

I hope that that method of testifying and coming together will serve as a continuing signal that it is the desire of this chairman and my colleagues that we continue to work together to develop our national policy, and that the knee bone is connected to the thigh bone, the thigh bone is connected to the hip bone, and that by working together and forging a consensus, we are going to move much quicker and much further down this road toward getting the necessary results and actions that we need to resolve this very serious problem with responsibility of stewardship of the soil that we have in this country.

I look forward to that discussion, and I hope you will be able to take time to review the hearing record when it is available. With that, I would like to again welcome you.

Senator Huddleston, do you have any opening remarks?

STATEMENT OF HON. WALTER D. HUDDLESTON, A U.S. SENATOR FROM KENTUCKY

Senator HUDDLESTON. Thank you very much, Mr. Chairman. I commend you for holding these hearings. I also thank you for holding a hearing in my State of Kentucky, which was very effective, sometime ago.

I will summarize my statement because of the time situation, and will submit my entire statement for the record.[1]

I would just comment that what we have been able to accomplish in conservation—and all of us recognize the need to address the problems—has principally been brought about because of the partnership that we have had between Federal, State, and local organizations.

I get the impression sometimes that some of the fellows over in OMB would like to dissolve that partnership. I hope that that does not come about.

I would like to indicate five key elements that I think a responsible and effective conservation program should incorporate.

First of all, we need to target resources in a manner that does not neglect or penalize the nontarget areas.

Second, the Federal Government needs to provide a level of technical and cost-sharing assistance that not only protects the existing resource base, but begins the process of replenishing those areas damaged by erosion.

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[1] See p. 41 for the prepared statement of Senator Huddleston.

Third, a matching grant program should be implemented that provides incentives for the development of natural resource conservation programs at the State and the local levels.

Fourth, the rural abandoned mine program should not be forsaken. In my State of Kentucky, over 100,000 acres of land could benefit from a program like RAMP. Funds are available and ought to be expended for that purpose.

Fifth, any natural resource conservation program must provide for adequate upland flood protection.

I hope these elements can become key components in the administration's national resource conservation program. I am willing to work with you, Mr. Chairman, and the subcommittee and the Department officials in trying to bring this about.

Senator JEPSEN. I thank you, Senator.

I would like to invite Assistant Secretary John Crowell to please come forward, and welcome. Be sure to use that microphone so that we get your report.

STATEMENT OF HON. JOHN B. CROWELL, JR., ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT, U.S. DEPARTMENT OF AGRICULTURE

Mr. CROWELL. Mr. Chairman, Senator Huddleston, I am pleased to be here today to discuss USDA's fiscal year 1985 budget proposals; progress in implementing the national conservation program; and current research activities in resource conservation.

With me today are Peter Myers, Chief of the Soil Conservation Service, Dr. Terry Kinney, Administrator of the Agricultural Research Service, and Everett Rank, Administrator of the Agricultural Stabilization and Conservation Service.

I have a brief statement, and I would like to submit for the record some brief responses to questions that have been raised regarding specific programs.[1]

Now, Mr. Chairman, you indicated specifically an interest in a report on the national conservation program. So, with your permission, I will simply summarize my statement on that portion of the statement, and then may give you and Senator Huddleston a few minutes for questions before you have to leave.

President Reagan sent the national conservation program to the Congress just over a year ago. The President and Secretary Block are committed to this program, which presents a realistic and effective game plan for helping to correct the Nation's soil and water resource problems over the next few years. The program requires spending two-thirds of all USDA conservation program funds in support of the three highest NCP priorities of reducing soil erosion, controlling upstream flooding, and improving water conservation. By focusing our efforts on these most critical resource problems, we believe that the effectiveness of USDA programs can be increased even during these difficult economic times when Federal spending must be constrained.

Our primary emphasis over the past year has been on implementing the national conservation program. A key feature of the

[1] See p. 46 for the prepared statement of Mr. Crowell and p. 60 for responses to questions regarding specific programs.

program is the targeting of Soil Conservation Service and other USDA programs to areas with critical resource problems.

Our targeting emphasis completed its second full year of operation in 1983, and we are seeing positive results. During fiscal year 1983, farmers and ranchers reduced soil erosion by nearly 29 million tons on 5 million acres in 339 counties through increased application of soil conservation and water management. This averages out to almost 6 tons of soil loss prevented per acre in those counties.

The benefits of targeting are most apparent in the 10 States where additional erosion control assistance has been available since fiscal year 1981, when the program was first started. In less than 3 years, we have been able to reduce erosion in more than one-fourth of the cropland in these original targeted areas.

Water conservation targeting was carried out in 153 counties during fiscal year 1983. This effort resulted in conserving 276,000 acre-feet of water on 549,000 acres of irrigated cropland. We still have a long way to go, but we are encouraged by these indications that the program is working.

A key to the success of this effort has been the Agricultural Stabilization and Conservation Service, which has been targeting cost-sharing assistance provided under the agricultural conservation program since fiscal year 1982 as a joint effort with SCS's targeted technical assistance. State and local agencies have added additional resources in many instances. This kind of cooperative effort permits Federal conservation funds and staff to be focused where the need is greatest and where the Nation can benefit the most from the Federal investment.

We are optimistic about the possible substantial prevention of soil erosion in 1985 with targeted technical assistance. The bar chart submitted with my testimony for the record shows estimated soil erosion savings of about 128 million tons, a considerable increase above 1983 and 1984. Savings on category III land should increase by more than 50 percent from the 1983 level, while savings in categories I and II levels will be the same or only slightly less.

Mr. Chairman, my prepared statement does deal also with the 1985 budget proposals, with the RCA progress report for 1983, and with conservation research. But, in the interest of saving time, I would say simply that it is through the combined efforts on these matters, together with strengthened State and local government and private sector efforts that we can proudly say we have a better conservation program today than we had yesterday, and that we will have a better program tomorrow than we have today.

Senator JEPSEN. I thank you, Mr. Secretary.

I guess one question right out of the box on the related subject, when can we expect to see the final rules and regulations on the Farmland Protection Policy Act?

Mr. CROWELL. It should not be too much longer, Mr. Chairman. They are on my desk for final approval at my level. They then, in response to an Executive order, must go over to the Office of Management and Budget for further review. I do not expect that that is going to take too much time, and they should then be published shortly after that.

Senator JEPSEN. That would be within 30 days, or 2 weeks?

Mr. CROWELL. Well, it would not be 2 weeks, and 30 days might be a reasonable estimate, yes. I cannot promise that, however.

Senator JEPSEN. Before we leave this subject, do you have anything specific to say on this subject? Do you have a one-liner or general comment on why this thing has taken so long?

Mr. CROWELL. It took a long time, as you recall, Mr. Chairman, to get the draft regs out, because it was not an easy task trying to put some flesh on the bare bones that were provided by the 1981 conservation section in the farm bill.

We got out the draft for public comment last July. The comment period ended in October, and it elicited a lot of comment. About 150 comments came in, and we have carefully gone over every one of those for the content which they provided and that is what has taken the time, plus, of course, the fact that we have ongoing other efforts that also require time. It has taken longer than I would have guessed, but I think we have done a pretty good job of summarizing the comments and that the final product is going to be a good one.

Senator JEPSEN. It is my understanding that the conservation reporting and evaluation system, or CRES, C-R-E-S, will provide you with enough information to develop tables which compare the cost-benefit ratio of a number of conservation practices for lands with wide ranges of erosion. Is this true?

Mr. CROWELL. I think that is true, generally, yes.

Senator JEPSEN. Well, the GAO recommended in the 1983 report that the USDA require ASCS local committees to use this data as a basis for future cost-share decisions. Do you plan to require the local committees to do this?

Mr. CROWELL. Yes, I believe it is the Department's intent to use the best information available for evaluating, from a cost-benefit standpoint, practices which will be prescribed and which will be cost assisted.

Mr. RANK [From the floor]. October 1, 1983, every county will have it. It is in effect now.

Senator JEPSEN. It is in effect now.

Are they using it?

Mr. RANK. We have given instructions to use it in evaluating practices to make it more cost effective in trying to determine which practice will be the most cost saving.

Senator HUDDLESTON. I am wondering about the administration's plans for the rural abandoned mine program. Is it the administration's intention to close out that program?

Mr. CROWELL. The Department of the Interior has the major responsibility for implementation of that program.

They, in effect, have taken over the operation of it. They want to encourage the States to develop the capability for doing mine reclamation work.

The Soil Conservation Service's involvement, as you know, Senator, had involved not only reclamation work, but also contracting. It has been the administration's decision, through the Department of the Interior that administers the funds that are collected from coal producers to develop a capability within the affected States to apply the program. So the Soil Conservation Service involvement has intentionally been phased out in favor of State involvement.

Senator HUDDLESTON. Are you saying the Soil Conservation Service is out of it altogether?

Mr. CROWELL. We are not out of it completely yet. We are still servicing some contracts that were contracted previously. But we are not asking for more new funds. Am I correct about that, Pete?

Mr. MYERS. Yes, all money for new contracts goes to Interior.

Senator HUDDLESTON. Is it your judgment that that is the best way to do it?

Mr. CROWELL. Well, the Soil Conservation Service people, I suspect, are likely to be called upon by the States for technical assistance in abandoned mine reclamation. We anticipate that this is likely, as SCS is very active in new mining, State reclamation activities, especially where prime farmland is involved. We do make provision for that in the allocation of technical assistance funding; part of the formula that we have for calculating the distribution of technical assistance funding for States. In other words, the States that have coal mining and reclamation problems will get a factor in the formula which will enable them to lay claim to more of the technical assistance money than they might otherwise. But that is the direction in which the Soil Conservation Service's involvement is likely to go for the future.

Senator JEPSEN. I would like to ask some questions on the national conservation program and the conservation technical assistance formula.

Because of statements from the national conservation program are rather broad, do you not think it would be a good idea to develop a simple policy statement that would put the Department on record saying that in the long term the harmful effects of erosion and not soil displacement should be the primary driving force behind soil conservation efforts, and that the Federal soil conservation resources will be allocated on this basis at all levels as soon as necessary data become available? How do you feel about that approach, and when could such a policy statement be made?

Mr. CROWELL. Well, first of all, I would say that I think the national conservation program and policy statement does provide the kind of framework that you are calling for; that it does say that we want to provide the assets or the wherewithal to deal with high priority problems and that we are, in effect, targeting those resources to accomplish erosion reduction where the problems are worst. The question is how does one measure where the problems are worst. You can do it in terms of either total soil loss, which has been the traditional way of doing it, in the absence of any other better or a more logical base for doing so. However, in recent years, the Soil Conservation Service, with assistance from the Agricultural Research Service, has undertaken to try to develop factors by which productivity losses can be measured so that the adverse effects of soil erosion are not measured solely in terms of eroded tonnage, but, rather, in terms of productivity declines which occur as soil erodes.

We do not at this point have a system fully developed which would support total allocation of resources on that kind of an approach. In summary, we are evolving from the use of gross tonnage soil loss to a more refined system which would indicate erosion consequences such as lost productivity. I believe that there is almost

unanimous agreement among those who are concerned about this whole problem of soil erosion that that is the way to go. The problem is developing the tools to permit us to get there as rapidly as we all agree we should.

Senator JEPSEN. Only 11 percent of the ACP funds were earmarked for long-term conservation agreements with the farmers in 1983. Almost 75 percent of these funds were spent on annual agreements. With so much emphasis being placed on using conservation to take land out of production, what action is the Department taking to direct funds away from the annual short-term agreements to more long-term agreements? I know we have some pilot programs going. We are talking about long-range planning, both in the development of the next farm bill and agriculture policy for the next generation. We are trying to get into some long-range planning on soil conservation also. But with 11 percent of the ACP funds marked for long term and the balance going into short term annual agreements, what is your thought as to the direction in the future breakdown of these funds?

Mr. CROWELL. Well, there are some pretty good historic reasons why the bulk of the ACP funding has gone to annual payments, and for enhancing the adoption of practices on an annual basis.

In the first place, a lot of those funds are spent in getting structures in place on the ground.

Senator JEPSEN. Excuse me just a minute.

[Short pause in proceedings.]

Senator JEPSEN. Excuse me.

Mr. CROWELL. Thank you, Mr. Chairman.

Once on the ground, those structures, of course, serve for a good long time to prevent soil erosion. I am talking about the installation of things like grass waterways or terraces, structures of that kind which have a long-term benefit.

A relatively small percentage of the ACP funding goes to help cost sharing on annual practices. One of the annual practices that comes to mind is conservation tillage. And there the justification has been to encourage farmers to adopt this new practice to educate them about the benefits of it, and the way to do it appropriately, and also to help defer the cost of acquiring the machinery and the equipment to thereafter keep those practices repeated in subsequent years.

It is obvious, as you pointed out, by your question, Mr. Chairman, that there could also be some benefits from long-term multiyear agreements. The Great Plains program, administered by the Soil Conservation Service, does provide such long-term agreements and does accrue some benefits.

Additionally, the Secretary's announced conservation initiative for 1984 earmarks $20 million of ACP moneys for long-term setasides, either in grass or trees, for highly erosive acres that are put into this year's crop diversion program, acreage diversion program. So you can see that we are tending to move in the direction of longer term contracts, but we should avoid being too restrictive if better results, in terms of soil protection, can still be accomplished in many situations by the annual payments which helped to put in place permanent structures.

Senator JEPSEN. Before I turn this over to Ms. Perri, the Secretary has arrived and is meeting with the other Senators. Do you have a question or anything Senator Huddleston, before we leave?

Senator HUDDLESTON. No, thank you, Mr. Chairman.

Senator JEPSEN. I have just one noncontroversial people interest question I would like to ask.

The President's private sector survey on cost control of the Grace Commission makes several recommendations affecting SCS and ASCS, including combining and automating county offices. Has the Department made any plans to implement these recommendations?

Mr. CROWELL. We have, of course, been trying to be as responsive as possible to the meritorious recommendations by the Grace Commission. The matter of consolidating offices and of service facilities is one which we already had under review but, because of the Grace Commission report, of course, interest in it has accelerated. It has always been a desire by the Department to consolidate offices where possible. I would say yes, we are doing everything conceivable at this point to carry out that recommendation if it will result in cost saving.

Senator JEPSEN. And equally as good and hopefully better service.

Mr. CROWELL. Hopefully, yes. As a matter of fact, the cost savings have to be ultimately determined by the quality of service. If service is going to diminish in quality, then you don't have the cost savings you hope to have.

Senator JEPSEN. I thank you and I appreciate your understanding of this meeting. We are going to make major decisions.

Mr. CROWELL. I understand that. I heard about it this morning.

Senator JEPSEN. Ms. Perri, would you please take the chair?

Mr. CROWELL. Mr. Chairman, it will not be my intention to stay without a Senator being in the Chair. I think it is a matter of protocol that an administration witness will not be expected to remain. So, at this point, if you do not mind, with your permission, we will be excused.

Senator JEPSEN. Very well.

Mr. CROWELL. Thank you, sir.

Ms. PERRI. For the record, I am Karla Perri, legislative assistant to Senator Jepsen. The rest of Senator Jepsen's questions will be submitted to the Department in writing.

At this time I would like to call all the witnesses to the table.

We have Norman Berg from the Soil Conservation Society of America; Clarence Durban from the National Association of Conservation Districts; Robert Gray, from the American Farmland Trust; Lonnie Williamson from the Wildlife Management Institute; Ken Cook, agricultural policy analyst; Tom Franklin from the Wildlife Society; Alan Wentz from the National Wildlife Federation; Maitland Sharpe from the Izaak Walton League; John Sunderland from the International Association of Fish and Wildlife Agencies; Duane Sand from the Iowa Natural Heritage Foundation, and Mike Strother from Land Improvement Contractors of America.

As we had all discussed, the purpose of this roundtable was to comment on the Department's response to the questions asked by Senator Jepsen and other members of the committee. In light of the circumstances, obviously, the discussion will have to take a dif-

ferent direction. I would like to go around the table and have everyone make a 3- or 4-minute comment, on the conservation budget, the national conservation program, and on what you believe to be a critical or important or priority issue in the area of conservation that is being addressed by the Federal Government, that needs to be addressed, something that we can work on further. I will start from my left.

Mr. Berg.

Mr. BERG. Ms. Perri, thanks for the chance to be here representing the Soil Conservation Society. I would ask that our complete statement be printed in the record.[1]

Ms. PERRI. Very well.

STATEMENT OF NORMAN A. BERG, WASHINGTON REPRESENTATIVE, SOIL CONSERVATION SOCIETY OF AMERICA

Mr. BERG. The 1977 NRI, and that is the latest data we have, we are still waiting patiently for the 1982 NRI data, shows that sheet, rill, and wind erosion exceeded 5 tons per acre per year on 32 percent of the Nation's cropland. Among the 10 USDA regions, the Corn Belt led the Nation with about one-fourth of the total cropland erosion. Erosion per acre exceeded the national average in 4 of the 10 regions.

I would like to call attention to a recent updating of the "State of the World," by Lester Brown, 1984. He points out:

> In efforts to conserve soil, the world is faring poorly. Historically, soil erosion was a local problem. Individual civilizations whose food systems were undermined in earlier times declined in isolation. But in the integrated global economy of the late 20th century, food, like oil, is a global commodity. The excessive loss of topsoil anywhere ultimately affects food prices everywhere.

The recent 132 page report of the Kissinger Commission contains not one single reference to natural resource deterioration. Not one single measure or recommendation for restoration of that region's natural resource base that is as degraded as any in the world. We apparently do not yet widely accept that "the Nation that destroys its soil, destroys itself," as President Roosevelt wrote 50 years ago.

My experience over two decades of observing the executive branch proposals for USDA conservation budgets, is that these activities are clearly postponable until some better time. They represent, of course, discretionary spending and can be controlled. The fiscal 1985 proposals are again below the "low bound" level of $735 million. We are told that conservation is a high priority for the administration and it is one of the major concerns of the Secretary of Agriculture, and that the 1985 proposed reductions will provide a more effective conservation program, dollar for dollar, than the 1984 program funded at nearly $1 billion.

Perhaps, because the executive branch proposes and the Congress disposes, and in the past has largely restored conservation programs to a more reasonable level of funding, the administration has not had to face the harsh realities of implementing their own reductions.

How would they deal, in the real world, if left finally with their program reductions in the next fiscal year, beginning in October of

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[1] See p. 66 for the prepared statement of Mr. Berg.

this year, of $130 million for the SCS; $125 million for the popular ACP; and related programs; such as water bank and forestry incentives? What would be the realities of suddenly discontinuing the resource conservation and development program, of no new commitments for watershed planning and river basin surveys, of significant reductions for watershed construction, of no new construction starts, of a $35 million reduction for State and private forestry and staff year reductions of over 1,000?

That is their budget.

We are told that these principal budget cuts are in programs where reductions can be made without destroying the basic program delivery system and where programs can be revived when the fiscal situation improves.

Meanwhile, as we wait, and we have waited a long time for that promised better day, where fiscal restraint will no longer be a reason for postponing investments in soil and water conservation, what do we know about the degradation of our soil and water?

Well, we are looking at the acreage that is planned to be planted this year. The predictions are that we will have increases in each of the major crops. Many of these cropland acres lack adequate carryover from residue because of last year's drought, or inadequate conservation follow-up treatment under PIK. Therefore, we feel that, unfortunately, without having tested at least a conservation reserve this year, as you people recommended, we are apparently at least 2 crop years away from implementing a conservation reserve.

We are in a position to commend this side of the Congress for having enacted the Sodbuster bill. We are very pleased with that. We think additional attention needs to be given to the lands that are in the system, that are highly erodible.

I would like to leave a copy of the Soil Conservation Society's latest journal, where the American Farmland Trust reports the background on its study and some of its findings in regard to the Soil Conservation Society's search for solutions.

It has recently come to my attention over the weekend that the Department is, through the Soil Conservation Service, relaxing some of the standards for the handling of set-aside lands during 1984. I think this needs to be followed up on, because I think this is a serious matter.

Ms. PERRI. That matter is being discussed in the meeting today. Thank you.

Mr. Gray.

STATEMENT OF ROBERT GRAY, DIRECTOR, POLICY DEVELOPMENT, AMERICAN FARMLAND TRUST

Mr. GRAY. Thank you very much.

I would like to report on a couple of things that are pertinent. One is the report that Norm mentioned from the American Farmland Trust will be officially released on the 21st of March. I want to thank you and Senator Jepsen for the part you have played in helping to arrange a press conference, and we are looking forward to following up on that report in a number of recommendations that we have made.

I would also like to point out that this morning, on the House side, the Subcommittee on Conservation and Credit, in fact about noon, they passed out a marked up bill, H.R. 3457; reported it to the full committee, and it includes a number of items, of course, that we have recommended, including the Sodbuster bill that was passed by the Senate. That title is in there. The Conservation Reserve Title which we think is very important with a recommended price tag of $300 million has a goal of taking out 10 million acres of highly erodible land in the next few years.

The discussion on the House side was excellent in terms of the Members' understanding and involvement in that issue, and I think what it has shown me is in the last 2 or 3 years we have had a very much greater awareness, not only at the local level, but which I think has been happening for a long time, but it has really become more elevated now at the policy levels of Congress as well as the administration.

Understanding these basic fundamental problems in soil conservation, we need the Sodbuster bill in order to stop more of this highly erodible land from coming in, but it is very important that we deal with that land that is already in production that we target that to get it out.

I would like to finish by just mentioning the targeting effort that has been underway now with USDA and is expected to go for at least 5 years.

I think that we have got to watch that very closely. Our recommendations, as we analyzed it at the American Farmland Trust, we felt that one of the things the Department was doing was moving to too many counties. That they were expanding the targeting areas too much, and that they should really freeze them. As a matter of fact, I would like to see them frozen at the level they had them last year, 600 and some counties, I think 609 counties, and really evaluate the effectiveness of that targeting effort before they expanded it more, because it appears to me, with the limited amount of funding available for both cost sharing and technical assistance, they are already now up to 800 counties. If they move to any more they really are diluting the funds and the manpower to a point where I really don't see where there is really much effectiveness gained. And, once they could show in those counties they targeted there was a substantial reduction in erosion, then I think there is a good argument to be made for maybe increased funding or to do some more innovative things with the funding in order to encourage more farmers to get involved in soil conservation.

So those are the kinds of things we do like to see movement on in the national program. And I am somewhat disappointed that the administration is really not keying in as well on the conservation reserve idea. I do not think the pilot program that was announced in December, in cost sharing, is really going to prove that much.

Thank you.

Ms. PERRI. Thank you.

Mr. Durban.

STATEMENT OF CLARENCE DURBAN, VICE PRESIDENT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, PLAIN CITY, OHIO

Mr. DURBAN. Thank you, Ms. Perri.

I guess, first of all, I would like to begin my comments with a statement. I heard Senator Grassley yesterday make the comment that he was disappointed that the Department of Agriculture and the Department of Treasury were not interested in the programs being proposed. I, likewise, am somewhat disappointed today that the Department of Agriculture apparently is not interested in what some of us have to say about their programs.

So, with those comments, let me just suggest that our written comments refer to the budget process as well as the policies of NACD, so I will not spend time with those.[1]

One issue that I would like to just briefly talk about is the targeting issue. The targeting issue is one that causes many of us in soil conservation districts to feel a lot of concern.

We feel that a balanced national program is of vital importance. We hear many reports on tons of soil saved in a targeted area, and those tons of soil I cannot contradict. However, there are other places, I believe, where tons of soil per acre lost are more critical to certain areas than on some others. So, from that standpoint, we believe that the targeting issue, which is removing technical personnel, and in the long run will remove funds, from many areas of the country, and going to a few.

I would just like to cite specifics, some issues that I am very familiar with insofar as the targeting issues are concerned.

In one local soil and water conservation district that I am very familiar with, one Soil Conservation Service technician was replaced with three, because that county is in a targeted area.

I am personally aware that there is no way we can utilize all of the assistance that those three expert people would provide to that district. In addition to that district having that kind of additional support because they are in a targeted area, which they did not request to be included in, is also in an RC&D project area.

So we have tremendous amounts of technical assistance available. When I make that statement, I am not saying that there is not work to be done. There is work to be done, but there is no way farmers of that county can afford to put the kind of practices on the land that that many people can provide to them.

From that standpoint, and from the fact there are other districts that have hardly any personnel left in various areas of the country, the Northeast in particular, we, as a national organization, hear those vital concerns of those people continually. It is very difficult to continue with that kind of a program, without a balance of some kind to offset those kinds of situations.

We do not object to the targeting issue with additional personnel and additional funds required. We do that locally, on a local district basis. We target our efforts in a given area. I believe that with the continuance of that kind of a program, we are going to have competition between the Federal program and the local districts'

[1] See p. 70 for the prepared statement of Mr. Durban.

programs. Many districts now have personnel of their own; they have their own programs to assist and cooperate with the Federal program. That is how we have accomplished what we have in the last 35 years.

I see competition developing between those two issues, as well as the local individual farmer or person who is needing some technical assistance.

Those are our concerns for the moment, and that is a large concern.

Thank you.

Ms. PERRI. Thank you.

Mr. Cook.

STATEMENT OF KENNETH A. COOK, AGRICULTURAL POLICY ANALYST, OFFICE OF TECHNOLOGY ASSESSMENT

Mr. COOK. Thank you, Ms. Perri.

In my statement, what I am offering are my personal views,[1] coming from someone who has written about soil conservation over the last 4 or 5 years, and has done some analysis on the subject.

I was pleased today that undue attention was not paid to the actual amounts of the budgets for the various conservation programs.

The budget is an important issue, and it means very specific things to the people who must do the work out there. But too often, in my view anyway, we have seen that many more important issues have been sidestepped out of concern for the budget. As I see the conservation programs, the allegedly inadequate budget levels that usually are proposed for them, provide an excuse for us not to look at a more important question: What are we really buying with these programs? And this really relates to a point that Mr. Durban made. It is difficult to evaluate how well something like targeting is going to work if you don't have a very clear idea how the regular program worked before you started targeting. We have a sense, an analytical sense, and, to some degree, a verification in the field, that there are important differences among counties in terms of their conservation problems, and within counties, important differences among farms.

We do not have a very clear idea, because the Department has not provided a comprehensive interpretation for us, of how well the technical and financial assistance programs we have out there are serving conservation needs. This makes it very difficult, when you get right down to to it, to evaluate whether we are spending way too much or way too little on these particular programs. It may just be that these programs are not the right tools, in many cases, and that if we substantially increase or decrease the budgets, it might not make much difference.

I think it is fair to say that it would have a negative impact to decrease the conservation budget substantially. But I am not convinced that if you increase it substantially that that would help. And I am certainly not convinced there is a big difference between the upper bound and the lower bound in the RCA budget, the NCP.

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[1] See p. 72 for the prepared statement of Mr. Cook.

The conservation programs have provided an excuse to the Congress, to farmers, to farm policymakers in the Department and to a degree, I think, to conservationists to avoid tougher issues relating to conservation that are caused by Government programs, are caused by the overall economic forces that drive the farm sector, and for which we probably do not at present have the adequate policy tools to cope with.

As a final comment, I was impressed with Mr. Crowell's testimony today in that we are finally beginning to see some recognition by the Department that there is a real need to begin quantifying where we stand with respect to resolving some resource problems. There are some data in Mr. Crowell's statement that provide limited information on what is being accomplished. But, frequently, and it is also the case today, in his statement, the information provided by USDA does not tell you what proportion of the problem USDA is solving. Today we see that targeting is projected to reduce erosion by 78 million tons in fiscal year 1985. What is not listed in that table is that, if you look at the erosion on the cropland in the targeted areas, the cropland that is supposed to be receiving targeted technical assistance, it amounts to about three quarters of 1 billion tons per year. In other words, the targeting program is dealing with about 11 percent of the problem in fiscal year 1985.

If you look at the base program and the targeting together, the savings are more in the nature of about 2 percent. This is a rough calculation. I will be happy to provide more precise estimates for the record. But the point is, it is very important for Congress to face up to the fact that they need to confront the Department, confront all of us who have preconceptions and views about the conservation programs, and ask: What are these programs actually achieving?

Ms. PERRI. Thank you.

Mr. Williamson.

STATEMENT OF LONNIE WILLIAMSON, SECRETARY, WILDLIFE MANAGEMENT INSTITUTE

Mr. WILLIAMSON. Thank you, Ms. Perri.

It appears to me that we are talking about a couple of things here today: One is the budget and the other being conservation programs within USDA.

It is my belief that the budget really will not solve the problem. I do not think that, given the conservation programs now extant in the USDA, that any reasonable funding level would get the job done. I think the history of these programs points that out very well. They have been funded fairly well in the past, and we are going downhill in terms of losing topsoil and the associated resources connected to the land. I think, aside from funding, that there is going to have to be a basic policy change within the Federal Government, and with adequate funding added to that new policy. I know that Congress is working on that now and the Department of Agriculture is looking at new ways of doing things. How well any of these are going to turn out, we do not know yet. Whether they will work, we do not know. But during the interim, we are going to have to do with what we have, and that is continue

it the best we can, trying to carry on with the programs that are in place and funding them at a reasonable level instead of trying to cut them as drastically as they are being cut now.

The people who are paying these bills, the taxpayer, the American public, I think, have a right to expect some return out of this money that is being spent on American agriculture. As an example, the Water Bank program, which I think is a direct benefit to the American people in that it protects wetlands that are valuable for a lot of different reasons. It gives the landowner a reason not to destroy wetlands. The fact that agriculture is the biggest destroyer of wetlands in the country is a factor I believe. Also the fact that this administration has stated on several occasions over the past 2 years of its strong support for wetlands programs indicates, that the Water Bank would be something that it would be very much behind.

However, the program would be essentially eliminated by, No. 1, drastically reducing the funding for it so that the Department of Agriculture will not be able to keep paying the current contracts that it has with landowners, and No. 2, by the recommendation that it be folded over into the total ACP program, where it will be discretionary at the State and county levels. This seems a little out of line.

The other point I think is that a conservation policy must be included in any of our crop production control attempts. It appears that we have a rougher time getting agreement on that within USDA and within the administration than any other thing.

It is time, in my view, that with all of this money that we are putting into agriculture, we have a right to expect in return a reduction in the misuse of land that results in the loss of soil, of clean water, of fish and wildlife, and so forth. We have not seen that reduction. The more money we put in, the more detrimental actions occur out on the land.

It is not good for agriculture. The landowners do not like it; taxpayers do not like it; the Congress doesn't like it. I am hoping that some of these bills, like the one that has been reported out in the House today, and maybe some that are coming through this committee, can do something about the situation. But there is going to have to be something with teeth in it rather than just throwing more money at the problem, in our view.

Thank you.

Ms. PERRI. Mr. Franklin.

STATEMENT OF THOMAS FRANKLIN, FIELD DIRECTOR, THE WILDLIFE SOCIETY

Mr. FRANKLIN. Ms. Perri, I would like to make a few brief statements with regard to the Wildlife Society's interest. We are, as you know, extremely concerned with soil conservation efforts and have been impressed, frankly, with many of the statements coming from the Secretary of Agriculture in the past few months. But, on the other hand, we are appalled at the lack of backing that these proposals are receiving in the budget. Obviously, this needs to be rectified.

Ms. PERRI. Excuse me. Can you please talk into the microphone?

Mr. FRANKLIN. We are sure that the Congress will help out in this regard, but there clearly are profound impacts of soil conservation programs on wildlife and we need to properly fund these programs. Obviously, we need to make an extremely strong link between the commodity programs and conservation if we are going to benefit wildlife. There must be long-term withdrawals of highly erodible soils, and there must be an effective conservation reserve program established.

Highly erodible land, currently in crop production, must be planted to permanent vegetation, but not just any vegetation. It has to be vegetation that is of use and benefit to wildlife.

We understand there is a need for sodbuster legislation, but we are just beginning to address these issues. We surely would like to see the administration get behind some of these programs with strong financial backing.

Ms. PERRI. Thank you. Mr. Sharpe, you are next.

STATEMENT OF MAITLAND SHARPE, ASSOCIATE EXECUTIVE DIRECTOR, IZAAK WALTON LEAGUE OF AMERICA

Mr. SHARPE. Thank you. I would like to touch very briefly on four or five separate issues and problems that I think are relevant to the budget and the range of agricultural conservation policy issues that seems to be on the national and on Congress' table at this time.[1]

First, briefly, on set-asides. As you know, and as I think is now fairly widely recognized, the agricultural set-aside programs hold an immense potential, really a staggering potential, to provide ancillary benefits in the form of new and improved wildlife habitat and improved water quality—if the lands are maintained in conservation plantings. Unfortunately, the requirements that they be so maintained have been frequently honored in the abeyance.

With that in mind, we believe Congress should revamp the authority for agricultural set-asides so that they will also yield valuable public benefits in the form of reduced soil erosion, enhanced wildlife habitat, and improved water quality. Specifically, these programs should provide for, among other things, a program of multiyear set-aside contracts which would facilitate planting and maintenance of a permanent conservation cover; stronger standards for seeding and maintaining vegetative cover; and much improved enforcement of those conservation cover requirements.

There should also be expanded incentives for establishing permanent conservation cover, wildlife plantings, or filter strips along streams. An attempt should be made to remove the Federal disincentives to voluntary conservation set-asides by permitting such lands to be included in calculations of base acreage.

Aluding briefly to the conservation reserve issue, I would like to echo the comments of Mr. Gray, the fact that it is important, through a mechanism such as the Sodbuster bill, to prevent fragile lands from coming into crop production, but it is equally important, at the same time, through a conservation reserve approach

[1] See p. 75 for the prepared statement of Mr. Sharpe.

and multiyear set-aside to try to get out of agricultural use fragile lands that have already been subjected to that use.

We have a number of concerns about the conservation reserve program, the pilot program announced by Secretary Block in December.

Incidentally, I have a question that someone here may be able to answer in the discussion and, perhaps, if not, you could refer it to the Department with your written questions. That is simply whether there are any returns yet in and available on the demand for that pilot program, the conservation reserve program.

Ms. PERRI. I asked the Department about that. I should have received the information before the hearing today.

Mr. SHARPE. I had hoped we might get that.

Ms. PERRI. The information is not available, but we will follow up.

Mr. SHARPE. We would be very anxious to see it as soon as it does become available.

Ms. PERRI. Well, the primary reason is that the signup period is not over yet. It was extended by the Secretary until March 15. So the information we would have would only be preliminary.

Mr. SHARPE. In reference to conservation reserves, we would urge the Congress to do three things immediately: First, to insure that there is adequate funding to underwrite the current pilot program in 1984 and a subsequent followup program in 1985. We think a 2-year test would be much more useful than a 1-year test.

Second, to authorize an expanded nationwide conservation reserve as part of the 1985 Farm Act, or as separate legislation this year.

Third, to strengthen the incentives offered the landowner by authorizing true multiyear set-aside contracts on perhaps 20 to 35 percent of the base acreage for each commodity, and by guaranteeing that additional acreage placed on conservation reserve is placed at the head of the list for annual set-aside programs above that level.

Very quickly, with respect to the budget, it is our position the proposed budget is not adequate to carry out a balanced soil and water conservation program or to meet the goals established under RCA. Within that, we are particularly concerned about the funding for the water bank—and there I would simply associate myself with Mr. Williamson's comments—and about the diversion of funding from the extensive, nationwide base conservation technical assistance program to the targeting program.

We do not oppose targeting additional funds in the areas of greatest need, but we do not believe that targeting is a valid excuse to trim back the already inadequate base program. There is a need for both, and we would urge Congress to restore the funding for the base program and appropriate additional funds needed for more intensive targeting in areas of high soil loss.

Finally, I would like to speak to the question of balance, not from a perspective of a soil conservation district, but from the perspective of a conservation organization.

It is clear that the RCA program, delivered a year ago, emphasizes the maintenance of agricultural productivity. That emphasis is further sharpened in the 1985 budget. There is no question that

maintaining the productivity of croplands is essential to the Nation's well-being, but there are, as well, other resources and resource values that are also important, rangelands, fish and wildlife, water quality, wetlands and private woodlands.

We believe that the Department of Agriculture should incorporate these values into both its commodity and its conservation programs—in particular, the Department's conservation program—to provide for balanced investment in these noncrop conservation efforts. However, the budget proposed for 1985 fails to provide such balance. The budget focuses on controlling soil erosion from croplands and reducing upstream flooding, both directly related to agricultural productivity. However, funding for wetlands protection through the water bank program and for the forestry incentives program would be cut by about two-thirds.

In the programs of SCS, resources would be systematically shifted to water quality and fish and wildlife concerns through erosion control, water conservation and flood control. We believe the result is a program seriously out of step with the Nation's total needs and opportunities for resource conservation.

It is interesting to note that the RCA report identified five major resource problems, including the loss of wildlife habitat, excuse me, five major resource problems, including——

Ms. PERRI. Including erosion.

Mr. SHARPE. Including erosion, you know it better than I do, including erosion control, water conservation. The third one escapes my memory at the moment. In any case, the point is—the final two items on the list were water quality and "related" resources, which itself had three parts, composed, essentially, of wildlife habitat, nonpoint problems—downstream effects of erosion and runoff—and the loss of wetlands. It is interesting to me, and somewhat disconcerting, to see that the program in the budget focused on the first three, but did not address in any adequate sort of way the final two problems.

I am convinced that there is an opportunity to address the full range of problems, the full set of five, by integrating those conservation concerns into both the commodity program and the technical assistance program.

On that point I have one particular suggestion, a modest proposal. It seems to me that the question of water quality should be inserted into the decisionmaking process for coming up with targeting decisions. Water quality needs and potential water quality gains should be a major criterion for making targeting decisions.

Take the Chesapeake Bay as a case in point. It is a resource of national significance; it is in jeopardy. Scores of millions of dollars in State and Federal funds are going to be invested in an attempt to save that resource over the next 5 years, perhaps.

One of the major contributors to the decline of the bay is agricultural runoff. However, so far as I know, that fact, that pattern of fact is not reflected—is not taken into account—in SCS's targeting decisions. I think it should be, not only for the bay, but for other bodies of water around the country where water quality is similarly limited by agricultural runoff pollution. I think it is a clear example of how, by expanding the scope of the definition of conservation, we could get more bang for our buck. It is a way we could

achieve double-duty or triple-duty out of some of these investments we are making.

Thank you.

Ms. PERRI. Thank you.

Mr. Sunderland.

STATEMENT OF JOHN SUNDERLAND, STAFF SPECIALIST, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. SUNDERLAND. Thank you, Ms. Perri.

The International Association of Fish and Wildlife Agencies appreciates the opportunity to participate today, to participate on the Wildlife Advisory Council, and for the recent opportunity to have conservation with the Secretary. Recently our budget committee met, considered Federal agency budgets and developed comments. I will summarize those in a written comment for the proceedings of this hearing.

Included in our concerns are the linking of conservation and commodity components, long-term conservation set-aside practices and major increase in the funding through water bank.

In the interim period, the international association is working to keep the States mindful of existing coordination opportunities between wildlife and agriculture, those being the State ASCS groups, the RPA program document review, State food and agriculture committees and also encouraging cross-membership in resource professional societies.

Ms. PERRI. Thank you.

Mr. Wentz.

STATEMENT OF W. ALAN WENTZ, DIRECTOR, FISHERIES AND WILDLIFE, NATIONAL WILDLIFE FEDERATION

Mr. WENTZ. Thank you, Ms. Perri.

The National Wildlife Federation appreciates the opportunity to appear here. I would be echoing many of the things that already have been said if I gave you a complete rundown of various points. I will not do that. I do have a few points that I would like to make.

Our annual meeting has been scheduled for Atlanta, Ga., next week.[1] At that meeting our delegates from all the States and territories are going to be evaluating several resolutions that deal with farm policy and directly address many of the questions that we have talked about today and in meetings in the past.

The essential points of those resolutions speak to the serious nature of the erosion problem in the United States, the need to refocus Federal farm programs to address these problems and the need for onfarm habitat development for fish and wildlife. When those resolutions are in final form and have been passed by the delegates, and I am confident they will be, we will transmit them back to you and the committee for your use.

We are very concerned, of course, with maintaining a strong farm economy without causing damage to the long-term productivity of our natural resource base, particularly soil, water, and wildlife.

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[1] See p. 81 for a reprint of resolutions 1, 9, and 21 passed at the National Wildlife Federation's annual meeting.

We have, as a result of that, identified themes for our next two National Wildlife Weeks in 1984 and 1985 to be water for the 1984 year and soil for the 1985 year. These themes have been chosen to help draw national attention to these critical problems in this period of concern. We are seeing many organizations now focusing on the problem.

We also, of course, selected these themes because of the national attention that will be brought to bear on the reauthorization of the farm bill in 1985. During that reauthorization, we hope to be able to continue to assist this committee with development of sound measures to benefit soil and water conservation.

We do appreciate the active work that the chairman and this committee have put into pushing USDA into doing a better job of conserving soil and water and such products of the land as wildlife. We have also been very encouraged by statements that Secretary Block has made where he has taken some very strong positions that we believe will enhance soil and water conservation. However, on the other hand, we are very concerned that these things are not being translated down to the field in a manner which will be productive in terms of results on the land.

We also are concerned that if the current administration budget proposal is enacted, the conservation efforts of USDA may be severely hampered.

If this is allowed to happen, we also believe soil and water in this country could be harmed irreparably in many instances. USDA must begin to target its efforts better and seek out additional mechanisms to benefit soil and water conservation. We would urge this committee to continue to do everything in its power to better orient USDA programs.

I would like to mention once again something that has already been mentioned by several people this afternoon, and that is elimination of most of the funding for the water bank program. This program has been very successful. I was able to work with it when I worked in the State of South Dakota. But if the administration continues to reduce the funding or zero out the funding for this program, it is going to simply disintegrate, regardless of whether Congress keeps bringing the money back in or not.

We do encourage you to try to work with the USDA to see that this program is fully funded in the near future and the far future also. I would like to echo what I have heard here two or three times, we do not believe that simply throwing money at a problem is a solution to it. I think that has been adequately proven by many of the farm programs that are now in place. We do think that what we need is that USDA not only speak about good things on farm conservation and new farm policy, but they actually do things to implement that policy that will benefit conservation in the long term.

Thank you.

Ms. PERRI. Thank you.

Mr. Strother.

STATEMENT OF MICHAEL E. STROTHER, WASHINGTON REPRESENTATIVE, LAND IMPROVEMENT CONTRACTORS OF AMERICA

Mr. STROTHER. Yes, thank you.[1]

Our organization, I suppose, should start by saying it cannot support the current budget recommendations of the administration simply because they are inconsistent with the needs of the resource base of both water and soil. And, at the same time, perhaps, just more funding may not be the answer, but different approaches to funding.

We also have some very grave concerns about targeting in an era where our resources, both personnel and money, are finite. If we target them one place we can accomplish great things there, but you have taken them away from other areas. Overall, which has done the most harm or the most good? That would bear some very close scrutiny.

I think our principal remarks would address the subject of linking conservation and commodity programs. Our organization recently has done an indepth study on this with the membership and our farm customers, and looking at recent years at the general lack of availability of funds for conservation of a magnitude needed to do the job. We feel that some definite new approaches need to be taken to address what is becoming a rather staggering problem. And we feel that given budgetary situations, we need to look at some new solutions.

Basically, we would present two of those we feel might be helpful. One would be to expand upon the concepts in the Sodbuster bill, expanding the features to whole farm conservation plans. Then the landowner would be responsible for having an active, approved whole farm conservation plan in order to be eligible for Federal farm assistance. And, second, to make funding available for the kind of work that would be necessary under such plans. We would suggest that a further step in new legislation be taken, that all Federal assistance payments to farmers and landowners carry some kind of earmarking provision, whereby 5 or 10 percent of the funds that are going to be made available under the income assistance stabilization programs be earmarked for conservation and be used to further those approved ongoing conservation plans on the land if such is needed.

We feel that a combination of this kind of commitment and partnership between the landowner and the taxpayer would go a long way in undertaking the real job that does need to be done, about which we have all around this table talked for so many years. This is a new policy for our group and it is not taken lightly. It is new ground, but it appears after so long new directions like this may be necessary. So we would commend them to the committee.

Ms. PERRI. Thank you.

Mr. Sand.

STATEMENT OF DUANE SAND, SOIL STEWARDSHIP PROGRAM CONSULTANT, IOWA NATURAL HERITAGE FOUNDATION

Mr. SAND. Thank you, Ms. Perri.

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[1] See p. 87 for the prepared statement of Mr. Strother.

The Iowa Natural Heritage Foundation was founded in 1979. It is a nonprofit corporation, designed to increase private sector involvement in conservation of Iowa's natural resources. The foundation is funded solely by individual and corporation contributions.

In the area of soil conservation, the foundation's emphasis is to encourage agribusiness to provide greater leadership. However, the foundation trustees also decided to pursue the opportunity for a major conservation and land reserve as part of Federal farm policy. The decision of the foundation's trustees reflects a great deal of concern for the agriculture economy as well as conservation needs.

Current conservation efforts are inadequate to protect the productivity of agriculture, which is America's leading industry, or also to protect the quantity and quality of our Nation's water resources.

Ken Cook posed the question: What portion of the problem is being solved?

The national program for soil and water conservation projects the following results, even with the high bound of funding that exceeds congressional appropriations. About a 1 percent annual reduction in cropland acreage with excessive erosion; about a 2 percent annual reduction in surface water sediments from agricultural sources; and essentially no change in annual water depletions.

This rate of progress is unacceptable, particularly when we have such chronic overproduction which needlessly depletes our natural resources.

While payment in kind and other annual land diversion programs have increased conservation benefits, they have also failed to even come close to their full potential for conservation. Because the United States has excess agricultural capacity, it is possible to reduce excess cropland erosion, sediment loads and water depletion by approximately 50 percent in each category. This could be done by providing long-term Government contracts to discontinue production on land which offers the greatest conservation benefits to society.

Such changes would benefit agriculture and the Federal Government in the following ways:

One, by increasing popular support for production control programs.

Two, by providing a model production control program for other exporting nations.

Three, by reducing program costs per acre.

Four, by idling land with greater production potential.

Five, by providing an incentive for reforestation or permanent grass seeding.

I believe these benefits show how a conservation land reserve will attract greater public support for a voluntary production control program needed to protect farm income. I have additional comments which I will submit for the record,[1] and I hope to further discuss the land conserve concept to this meeting.

Ms. PERRI. Thank you.

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[1] See p. 89 for additional comments supplied by Mr. Sand.

It seems clear from everyone's comments there are a few key issues that we need to focus on. I think we should start out with the idea of the conservation reserve.

A point to be made about the conservation reserve is that it is possibly the first step toward a cross-compliance program.

The group seems to be in favor of taking marginal land out of production. Maybe we could do this in a more cost-effective way than we have in the past, and that would be through a cross-compliance effort. This would mean additional funds, which, as Alan pointed out, do not always solve the problems, but would accomplish the same purposes of the conservation reserve.

Why do we not start with you, Mr. Gray?

Mr. GRAY. I would like to ask a question. What do you mean when you refer to cross-compliance, using that as opposed to setting up a conservation reserve as part of any set-aside program, including that as an option in the set-aside program. I just need a clarification.

Ms. PERRI. What I mean on that is if the farmer is interested in production control, and we are putting, possibly, some extra land aside as part of the conservation reserve, should we also not require cross-compliance, meaning putting actual conservation practices on the other lands that are in production as part of that, whether that may or may not be enticement to enter into the conservation reserve?

Mr. GRAY. I think if they are going to be in the program, that is something you have to think about, although that is one of the things that could be done as part of the conservation reserve, and part of that was built into legislation that the House subcommittee dealt with this morning. And that is to, No. 1, get the most highly erosive land out as cheaply as possible, and, in the bidding process, to encourage those farmers to give them the option of actually removing that acreage from their base. And that means that once their 10-year period, or the period time the contract was up, they would agree, once they put that land in a conservation reserve, that it would become sodbusted, in a sense. In other words, if they chose at that point to put a crop on it after the contract was up as part of the conservation reserve, they would lose any Federal support payments for that land. So I think those kinds of elements are the way we are going to deal with the conservation reserve idea, and getting the most highly erodible land out.

I am not so sure that I am sold yet on the idea of requiring conservation practices on the other land because of how cumbersome that is. But, you know, that certainly is an idea.

Ms. PERRI. Mr. Berg, would you like to comment?

Mr. BERG. In this 413 or 415 million acres, as the latest NRI will probably indicate, that has been identified as cropland, there is probably something between 40 and 50 million acres that is contributing a very substantial portion of the Nation's soil erosion. That land, obviously some of it, could be cropped periodically in an emergency if we needed it. However, some of that land should have never been brought into production. Of course, it has been part of the sodbuster thrust to try to keep some of the land that is presently in grass or trees, that should not be intensively cropped, from coming into the system. Now, how best to deal with that land that

is in the system. There is some if it is going to be taken out permanently, it is going to have to be done in a way that compensates that landowner at least for a period of time. If they do not participate, they still get the chance to qualify for some of the commodity programs that are available.

Now, if you could have the more drastically erodible areas taken out for as long as possible eventually perhaps we would get them out of the system totally. That acreage is maybe a fourth of the total in terms of a practical matter. Then how best to deal with that remaining acreage that is eroding. It is probably better if it were not cropped, but it is cropped. There may be new techniques that show how to do better with that type of land. I think the long-range effort includes the crosswalk between commodity and conservation programs. Let us not forget the role of State and local governments in this regard. I think the local conservation districts can help immensely in terms of the categorization of this land, based on soil surveys, technical information available, and some good judgment. We may find some parts of the country where there is a substantial part of that particular conservation district that is in a very fragile land setting. How do you handle that problem? There are a lot of businesses that depend on the farming in that area. There are people who are making a living from that farming.

I came to this meeting from a group that is concerned about alternative systems of agriculture. It is well-attended, pointing out that one of our problems is we have lost, in too many places in the country, what used to be a pretty good conservation system in the way that cropland periodically went back into some sort of a cover, a rotation, that allowed the soil to build back up. The heavy emphasis, beginning over a decade ago for fence row production has led into some investments in terms of land and managerial abilities that is going to take some sort of fairly long-range plan to work out.

One of the real problems, and I cited it in my statement, is that the conservation features of programs are long range, and we tend to deal with these things on an emergency basis. The PIK program came on very quickly. There were immense opportunities to do more for conservation. There was some done, but more could have been done. We could have laid the groundwork for some additional activities that was not done. That is why I am concerned this year with what we are doing with our limited set-aside. But there has to be a commitment, I think, that goes beyond 1 year to these people, because their planning horizon needs to be longer for these types of conditions.

Now where do you go from here?

I think we have the opportunity, as you look at the 1985 farm bill, to simply say that a conservation element, with some teeth in it, is going to be needed. It should not be in the back seat as it has been in the past.

Ms. PERRI. Thank you.

I would like to follow up a little bit with a question to Mr. Durban. Mr. Berg commented that the conservation districts can do a little bit more. For example, in Nebraska, the conservation districts reorganized to reflect geographic characteristics of the State, to better allocate their resources. What are the conservation

districts doing to be cooperative as far as the targeting program within USDA or to make up some of the slack that has changed the way service is delivered?

Mr. DURBAN. At this point, it has been somewhat difficult for the districts to cooperate with the targeting proposals because, in most cases, they have not been consulted before the targeting areas were established. For most intents and purposes, that is still the case. I cannot recall one that I have talked to that had input in a targeted area. Had I in my own local district had an opportunity to have been asked, I would have said, "No, we don't need a targeted area in my particular county."

Insofar as districts realignment, insofar as natural resource areas are concerned, I do not find that to be very strong criteria to establish within a local district for their district program. We target within my own district, as a district board, and we have done it—they did it before I was on the board, and I have been there for 20 years, pick out those areas and establish our criteria as our plan of work every year, where we will dedicate the services we have available to us, and to see that we could accomplish something in those areas. We have done it from that standpoint, and I believe that most districts across the country do that. I think that some have reorganized in the natural resources area for obvious reasons within their own State legislature and because of their funding proposals, primarily, and maybe on a watershed basis where irrigation was more of an issue than perhaps it is in some parts of the country. It has been successful the way it has been handled by a majority of the districts in setting priorities in their own local programs.

Insofar as the conservation reserve, I think it is vital that we take out those acres that are highly erodible and are lands that should not have been broken by the plow in the first place.

When we talk about cross-compliance, then I become somewhat apprehensive. Cross-compliance is a term that is used differently by a lot of people. And I guess, to make a brief statement, I have to think about an individual who has been on the farm for 60 years or so, has made his living there and, suddenly, he is required to do some things that he cannot afford to do. That being the case, I think, while a dictatorship is an efficient way to rule and to get some things accomplished, I do not believe it is a method by which this country has gotten where it is.

From that standpoint, I think the reason for doing it, such as the program we spoke about yesterday, there is something that will work better than cross-compliance.

As soon as you tell—well, the farmer is pretty bull-headed and independent, I am one—when he is told that he must do thus and so, when he has a Federal Government with some program that does not enhance what he is told he must do, he becomes somewhat belligerent toward the process. We have accomplished what we have accomplished by cooperation these past 35 years.

Ms. PERRI. You are not necessarily telling a farmer what to do. You are putting a requirement on the receipt of Federal dollars. The point of a cross-compliance program is you are continually putting in Federal dollars to clean up nonpoint source pollution or the other side effects that come from erosion. One thing that we asked

Secretary Crowell to think about was a policy statement on the harmful effects of erosion rather than soil displacement, and maybe that is at the heart of what cross-compliance is trying to achieve.

Mr. DURBAN. Yes, cross-compliance, I agree with you, when you give him the choice of not receiving a Federal program dollar, as opposed to doing those things required, to me, that is not cross-compliance. Cross-compliance says if he receives program payments for a specific production practice, that he then must also do the same thing on the entire farm, he is required to do those things, regardless. But, if he has a choice as to whether he goes into that program or not, that, to me, is not cross-compliance.

Ms. PERRI. Would you care to comment on that, Ken?

Mr. COOK. Yes, I would. Thank you.

As long as you have voluntary commodity programs, any conservation provisions that would require a substantial expenditure by farmers in order to comply with the program will have the effect of driving people out of the program.

What the conservation reserve concept, as developed by AFT, calls for is a conservation payment, a bid diversion payment made to farmers who have highly erodible land, and no conservation requirements on the rest of their land, the assumption being we would be biting off more than we could chew with that administratively.

Cross-compliance may not work because it is impractical. But it is very difficult for me to explain to someone who is familiar with other areas in environmental regulation why we just do not regulate these farms. It is not just a question of asking them to do something in return for Federal dollars. But why do you have a policy that regulates steelworkers and not farmers. I am not proposing that we have a policy of regulation, but what I am saying is that the difference here is between one of arguing over principles and arguing over something that is relatively less practical than it might be.

Ms. PERRI. But I would have to argue that that is a very big difference.

Mr. COOK. It is a big difference.

Ms. PERRI. I would say, speaking for the Senator, I believe he would agree, that there is a big difference between what an individual does and what a steel company does and what they can pay for.

Mr. COOK. But, as a sector, if you are looking at agriculture, you are looking at the equivalent of perhaps 90 percent of the manufacturing assets in the United States. The problem then becomes yes, you are dealing with lots of individual farmers and that is where regulation exacts an unbearable toll. Yet regulation has also exacted a considerable toll among small companies in many of the sectors that have been regulated in the past by Congress. Small companies have suffered. That is the argument I hear from people, not just environmentalists, but people who are concerned about occupational safety and health, and people who work for unions, and so forth.

To return to the point about cross-compliance, it is important to recognize that you are looking at conservation problems that are very expensive to deal with. It is unlikely, or less likely, I think,

that farmers are going to participate in a conservation program if expenses are incurred. And the worse the land, the higher the conservation expenses, and the greater the likelihood that cross-compliance would drive them out of the program. Then we have no leverage. And, moreover, we know from history and from the analysis that we have done and others have done of the national resources inventory, that the most erodible land has very few conservation practices applied to it because they are so expensive.

Ms. PERRI. Maitland, do you have a comment?

Mr. SHARPE. Thank you, Karla.

It seems to me it has been suggested here several times, and just now again, that the first step should be to establish a conservation reserve program in order to pay farmers to take the most fragile, most highly erodible land out of production, and then on top of that we should consider layering a cross-compliance system to extend the conservation practices across the less fragile land that remains in production.

I am intrigued by the possibility of turning that approach on its head and starting out by instituting a cross-compliance system that would then encourage the farmers to—because it would increase their costs on exactly the most fragile lands, the ones that should be taken out of production—would then encourage the farmers facing those increased costs to apply to have those fragile lands placed into a conservation reserve system. I strongly suspect that it would be a way for the public to buy down the cost to the Treasury of a conservation reserve program.

If the farmer will have to forgo the benefits of the price support programs and the other Federal agricultural assistance programs for the production from those most fragile acres, he can then afford to place those lands in conservation reserve at a lower payment from the Federal Government than he otherwise could. It makes it relatively more attractive from his point of view. I think it might end up accomplishing the same end, but be more efficient in terms of the draft on the Public Treasury.

Ms. PERRI. Would you like to comment?

Mr. SAND. I would like to make a couple of comments.

First of all, I view cross-compliance as, really, being quite an ineffective approach when it comes down to feasibility. I see four drawbacks in particular. First of all, when you look at all of the Federal farm programs, the farmer participation is really not that high. Where farmers are participating and do need the benefits of the programs, typically, those are the farmers with the income needs and lack of capital to actually go out and make any major conservation changes in order to qualify for those programs.

I think the third area of consideration is that the cost of administering the cross-compliance programs is going to be very large, and probably less productive than a voluntary approach.

Our fourth consideration is, in light of the Federal deficits, I think you have to seriously ask how much longer the farm price support, income support programs will really be around, and whether there will actually be enough money there to attract farmers to participate.

I do think, back to the original question of how does the land reserve relate to insistent Government policy that may lead to cross-

compliance at some point. I think this is not the time to penalize a farmer who is taking advantage of the Federal incentives for land abuse, that until the Federal Government eliminates the incentives, whether they be tax incentives or disaster payments or crop insurance on marginal land, or a cost sharing on marginal land that really is not suited to cropland, or perhaps a water Federal irrigation project, as long as the Government is providing these incentives, surely we cannot blame farmers for taking advantage of it.

Once those are eliminated, as through the sodbuster bill and some of the measures that are being considered in 1984, I think 1985 is the time to offer the land reserve as an opportunity for farmers to make those land use changes that they know will be needed. Once we have those in place, then it would be consistent for the Federal Government to come in and demand.

Ms. PERRI. Go ahead.

Mr. SUNDERLAND. I might, by way of rebuttal, I do not know, just to respond kind of to that and to the suggestion of regulation coming down the road, direct regulation by the Government, many industries in the United States where problems proliferated in the industry, where Congress did not do something to alleviate it early on, eventually regulation rolled over the industry and it was worse in many cases that it would had it been addressed earlier.

Some of us see that coming in agriculture. A case in point here, I think, is water, because, as water quality goes down, and it is measurable, and water supplies become endangered, there is going to be a great cry about how did you get into this situation. Then we have only to look at the first draft of the Water Act amendments in the Senate last year, the Durenberger proposals, which would have put into place something far greater or more burdensome than what we have been talking about here today to control water quality leaving the residual farm, a loss of all Federal assistance.

So I think it is a moot point. We can all duck the issue, but I think it is there, some structured solution before the steamroller gets to us. It may be better than waiting.

Ms. PERRI. Norm.

Mr. BERG. I come back to the point that you raised in the first place. What would be the most cost-effective way in a time when budgets are very tight and the deficit is an overriding issue.

I think we have the problem that when commodity programs do not operate, then what kind of a system do we have. Duane mentions the possibility of not having any type of a farm program at some time in the future. That may be the outcome of what we have had for the last couple of years, but I seriously doubt it. We have gone through the cycles of people saying we can do it in the agricultural area without Government, and the farmer would prefer that and the Government would prefer that. But we are periodically engaged, married together, and we had better accept that. Now, how best to make this work?

It has to be with programs that work when there is heavy involvement of Government with the commodity activities, including the possibilities of another PIK at some point. How do we build that into the system so it works better. In the meantime we do not hold back on doing something about these most critical areas that,

for one reason or another, are in the system. Let us see if we can get them out and keep anything else from coming in that is like that with Federal subsidies.

I want to come back to what I mentioned about non-Federal involvement. I mentioned the local conservation districts. They can play a key role here. They have people waiting to do more than they have the ability to provide services for, in many places. Many of these programs are fairly attractive on a voluntary basis if you work with these people over time. It takes a one on one attention, in many cases.

State legislatures are looking at that. In my State, in Maryland, they are saying that the nonagricultural area has as much of a responsibility to help clean up the bay as any other contributor. What they are saying in that State, through our Secretary of Agriculture, is, "Look, we are not going to point a finger at anybody else. Don't point a finger at us," but that puts the responsibility on us to really say that we can do it. With the Governor, with the legislature, and a tight budget, I think they are going to offer more support. They are saying, in that State, that farmers are in partnership with the bay. They are concerned about the fact they are part of the problem and they want to do more. But they are not backing away from the fact that you may need some leverage at some level. To the extent we can keep it out of the Federal Government, that is better, and especially as you get to the point of what you need in the way of land use decisions that relate to the capability of the land.

I go back to a national program of soil conservation that I cite in my testimony that Hugh Bennett put in the first issue of the Soil Conservation Society's Journal in July 1946. It is based on the principle that land, by nature, has certain capabilities. Let us, as a beginning, do something about categorizing our land. I notice the Department did that in one of their tables today.

We have that in our AFT study. Let us look at what land really is best suited for and see if we can devise programs that encourage the use of that kind of land, based on its capability or suitability, for a variety of uses. We have enough of the different types to do everything this country needs to do until the turn of the century, as a minimum, as I see it.

Ms. PERRI. Well, the problem with that is you have to make sure that the market conditions warrant those changes in land use. That is as important as using the land for physically capable or suitable purposes.

The other point that I would make in response to your comments is the fact that you wanted leverage in the program. The week before last, we saw the Department beginning to use a little bit of leverage in the 1984 programs by waiving conservation requirements on cotton land. This is the kind of leverage that keeps creeping into our agricultural policy making it actually ineffective. It is political leverage, and how do you mesh that in with what you are trying to do in a sensible way.

Mr. GRAY. I think it is interesting to notice you have assembled 11 people here and that you really have heard a chorus of pretty much agreement, which I do not think you would have got a year or two ago in terms of some of things that should be done. And I

think we have to be careful that we do not knock some of these programs, these approaches we are starting to get into place, such as sodbuster and maybe conservation reserve, we do not move too fast and sort of upset everything. I think we have got to have the sodbuster first and try to keep more of that poor land from coming in. And then we are pretty much in agreement that we should be using a reserve to get the land in production now that is highly erodible out. Once we do those two things, we have certainly made substantial gains. The other leverage that I think is even more crucial and probably a better lever than the commodity programs are the loan programs. Now, they have already set up in Farmers Home Administration a requirement that a conservation plan be a part of a loan. There is no quicker way to get a farmer's attention when the banker brings that up when he comes in to get a loan. I think the Farm Credit Service has a responsibility here. I think they are going to be pushed pretty hard because, when farmers come in, they know their cash situation, what kind of shape they are in financially. They know whether they can put some of these conservation programs in place, but I think their encouragement should be the next highest. So you have got the sodbuster, the reserve and the Federal banking program. And I certainly do not consider, even though Farm Credit Service likes to consider themselves a private lending agency, they are not, because, as you know, they are backed with Federal money. So I think those three things would go a long ways. Once they are in place, and they start to show some positive impact, then we can see what other leverages we can use. I just do not want to see us move too quickly, not that I am against moving quickly. But we might lose it all if we get too much into tying it into some of the commodity programs as a requirement.

Ms. PERRA. For the record, I would like to introduce Mary Ferebee, a professional staff member of the Senate Agriculture Committee.

Ms. FEREBEE. Mr. Gray, I just want to follow up with your comments.

First, the Sodbuster bill to gather the land that is being brought into production, and the second step would be to establish a conservation reserve to get that land that is in production now out of production.

Mr. GRAY. Right.

Ms. FEREBEE. Has any thought been given to expanding the sodbuster approach to a land that is currently in production? It seems you have a choice to either spend more money, which everyone agrees is in short supply, to get that land out of production with the conservation reserve approach, or use a cost freeze method, and expand the Sodbuster bill.

Mr. GRAY. What you are saying is the Sodbuster bill would be retroactive and would cover highly erodible land.

Well, if you could politically get that through, I do not think you can do it, but it is a way, certainly it is cost effective, but I just do not think that is possible. I do not think that is realistic.

Ms. FEREBEE. Ken, do you want to comment?

Mr. COOK. I think there might even be some question about the cost effectiveness of it, depending on how you look at cost effective-

ness. On the surface, it would appear that if you are not offering farmers an opportunity to bid land into a reserve, you will be saving money. A retroactive Sodbuster bill will require conservation for compliance with the commodity programs. However, if that requirement prevents people from getting into the commodity programs what you might find happening as a result is sort of a continuous buildup of surplus production that eventually would require a PIK type bailout, particularly in a world trade environment where we are seeing the possibility, most analysts, for fairly regular discontinuities of 30 percent between supply and demand.

So, again, as most of the people who have done indepth analysis on the conservation reserve have argued, what you have to do is look at what the demands are likely to be for acreage adjustment. Look at that on a crop-by-crop basis. Then, as best you can, try and work conservation requirements into that. For example, to have a straight across percentage reduction, a set acreage adjustment for all commodities is too inflexible. We have a lot of highly erodible land that is in corn, and a lot of highly erodible land that is in soybeans, both of which are directly affected by the feed grains program. But we do not need as much production adjustment as we have highly erodible land.

The exact opposite is true in wheat. We have a need for a great deal of production adjustment in that crop. But we do not have as much highly erodible land associated with wheat production.

These kinds of fine tunings actually may not make the program more expensive. They may well make it cheaper than the program that we have now, especially if you identify the land that is to be set aside. You can eliminate a lot of the slippage that is in the programs now simply because farmers can now designate their least productive land. Until the date of final compliance, they are not even required to put that land in conservation use. They can plant it, and comply or not comply at the last minute, as it suits them.

Ms. PERRI. Alan, did you have a comment?

Mr. WENTZ. I am not sure I can add a whole lot to this discussion, but I do think it is interesting what we are hearing here. Land capability varies, and, of course, farming systems vary considerably. What an individual wants to do with his land also varies considerably. We are hearing a variety of solutions. I hope that we are not looking for one single solution. We have quite a mosaic of problems and a mosaic of land types out there. What we need is a mosaic of solutions to that that involve the full range of things from voluntary programs to land reserves to perhaps cross-compliance, and in some cases a removal of certain incentives and the establishment of new incentives, particularly in the tax system. And regulation is something I think should not be thrown completely out the window because, having grown up on a farm, I know that farmers are regulated now in a lot of ways that we do not stop and think about, such as pesticide use. A variety of things are regulated on the farm, so the farming system is not free of regulation, by any stretch of the imagination. I guess that is my only contribution, perhaps, is to get out and look for a mosaic of solutions, as opposed to one or two or three major solutions that will handle all the problems.

Ms. PERRI. Within that context we have 11 different organizations here, and it might be interesting to know what each organization could contribute to the mosaic. For example, we have long-term agreements under ASCS to get farmers involved in taking land out of production for a long time and putting it under permanent cover. This is an idea that is very interesting to fish and wildlife people, particularly from a wildlife point of view. But what else, for example, would help with wildlife besides putting permanent cover there? What new research have you done? What new efforts have you made to publicize other benefits?

The PIK program was a great opportunity for the Department, but it was also a great opportunity for many groups representing wildlife, fish and conservation interests to jump in and offer some assistance in that area. How can this be coordinated best?

You mentioned linking the water bank program as an element in the targeting program, and those types of ideas. How do you pull it all together so that you don't have one solution or a lot of solutions that are not implementable? What can each group contribute?

Why do we not start with you, Alan?

Mr. WENTZ. Well, I think there are a tremendous number of solutions, a tremendous number of answers to the question you have just posed, things that particularly fish and wildlife people have looked at, and agriculture people have looked at ways of improving—let me just address fish and wildlife habitat on farmlands. I spent this weekend in Kansas in a meeting where many State wildlife managers were present. One of the things that kept coming back and being said over and over again was, how do we penetrate the USDA's system? How do we get actively involved in this? This is exactly the kind of thing that the Senator has been telling USDA, you have got to go out and involve these people in the decisionmaking at the State and local level. And it has to also be done here at the national level. But I think the State and local levels are more important.

Biologist after biologist told me this weekend, and I have heard this in many cases in the past, and I am sure others here have also, that they are cut out of those decisions. They will show up at the State meetings that set the standards for ASCS for the coming year, or they lay programs out on paper. And they will be looked at and asked, "Why are you here?" Or, "Do you really want to say something?" And they will say something and go on and do what they planned to do before.

I guess what I am saying is there needs to be an active seeking out, not only on the side of fish and wildlife types, the managers of those resources, but the other side, particularly the agencies that are responsible for USDA programs. I do not think that is being done now adequately in all States. It is in a few States, but not in all States.

Ms. PERRI. Maitland, would you like to pick up on that?

Mr. SHARPE. Well, in some ways I would just as soon not. I am not certain I fully understand the question.

One observation, however, and that is that PIK, being a massive 1-year program, did provide all interested parties and groups with a political opportunity, a public awareness opportunity. But I think that it certainly did not live up to advance billing as either a land

management opportunity, conservation opportunity, or biological opportunity. The fact of the matter is that investments in cover crops or land management systems to enhance fish and wildlife are going to be inefficient and ineffective on anything less than a 3- to 5-year set-aside. So that PIK did not provide a great opportunity, since it was a 1-year program, to increase wildlife benefits. The biological system simply does not react that quickly. In order to achieve the kinds of benefits that many of us think are possible someplace within this realm of set-aside programs, we are going to have to move to predictable, longer term, multiyear set-asides through contracts, through conservation reserves, what have you. Then that will provide the on-the-ground resource base on which we can build to enhance wildlife production and the recreation that is associated with wildlife. I think many of the private organizations, fish and wildlife groups, are very anxious to try to work with landowners and State agencies to help landowners design management systems that will enhance those values, produce those benefits, perhaps even to the point of some cost sharing.

Another possibility, of course, that has been mentioned in some of the discussions by members of this group, but not here today, is the importance of ensuring that landowners retain the right to charge for recreational visits to set-aside acreage. That would be a small incentive, but a useful additional incentive to provide them.

Ms. PERRI. John, would you——

Mr. SUNDERLAND. Well, it is probably true that wildlifers have gotten tired of going to ASCS and State group meetings and that sort of thing, but I think that is no reason to excuse ourselves, especially at this point, and I feel like it is very crucial that we stay in that process. And that was the reason for our encouragement to the States. To continue in that process, they need us as much now as ever. Something I read the other day said that one of the reasons that farmland is not regulated is that this Nation has never recognized it as a natural resource. We still consider it a commodity. If that is changing, and it may be, and if that is recognized, now may be a very good time for the fish and wildlifer to make his point through the traditional process, the existing process.

Ms. PERRI. Tom, would you like to——

Mr. FRANKLIN. I agree with what has been said from the wildlife standpoint. However, another issue needs to be addressed the major budget cuts proposed for technical assistance to landowners. There needs to be increased efforts through extension programs to find out how soil erosion control can be linked to wildlife benefits. Maitland made reference earlier to the opportunities, particularly with buffer strips along waterways. Here is an excellent opportunity where practices beneficial to fish and wildlife can be directly tied to where major soil erosion problems exist, and through the establishment of proper plant materials, a great deal can be accomplished.

Ms. PERRI. Lonnie, would you care to comment?

Mr. WILLIAMSON. I think there are a couple of things we have to distinguish here. We talk about paying a landowner to take some of his property out of crop production and put it into some kind of vegetation to stop soil erosion. The landowner will be paid to do that. It is my opinion that the public has a right to demand some

kind of return which might be, say, plant a certain type of vegetation in order to help wildlife. But if you are going to regulate the way that a landowner uses his land, then you are talking about an entirely different thing. You are not paying him to do anything. What you are doing is telling him not to put this into cropland. He maybe can make more money with that land in pasture rather than in vegetation better suited to wildlife. Now that situation is where the wildlife community is going to have to step in. That landowner has a right to earn the most income that he can out of that land under the regulations that exist, as long as he does not impinge upon other members of the public. I think that wildlife interests are going to have to realize that it must cough up the dough just like everybody else does if we want that landowner to forego income to help wildlife. He has got to get the money out of that land. He has made the investment and he has got to have income from it.

Ms. PERRI. I would like to close with a final question to all of you. Everyone has their own network fieldwise and you try to get involved in the USDA meetings and they try to get involved in your meetings. One issue GAO brought up in their report was what type of conservation benefit is the Federal Government getting in return for this investment. Through your networks how are you able to assist the USDA in collecting data and finding out what an acceptable cost-benefit analysis for what you need at the local level, at the field level? How can you contribute to this effort and become more involved in the actual decisionmaking by providing suggestions on how USDA can obtain the correct information?

Why do we not just go around the table, starting with you Norm?

Mr. BERG. The Soil Conservation Society of America has a variety of disciplines and people that are concerned about a broad array of issues. It is just not soil. We have members who are concerned about wildlife, about range, about forestry, about water quality. There are members of State government, the Federal Government and local government. There are private landowners in our Society. Therefore, we have a broad array of disciplines and that diversity is a plus, in terms of what we can do. We can help analyze the data that is available. That is why we are eagerly awaiting the 1982 National Resource Inventory data, to take a very broad array of queries that were made and analyze what came back as to what has happened since 1977, and whether we can discern some trends or conditions or whatever can be observed now.

We are also a society that recognizes, in terms of communicating to people, it is a mix of research reporting. We do that in our magazine, and we also have some articles that appeal in a general way, as you will see in this latest edition here. We also provide the opportunity for people to make comments about how things are working and how they are not working.

We also are in a position to sponsor forums, discussions, and convene groups and help moderate issues. We did this early in the seventies on the land use issues. We have done it in the water resource quality and quantity area. We have done it in a variety of resource areas, and we have been able to publish some books that are available.

We are planning a special edition on nonpoint source water pollution, this within the year. That is another contribution that we make to the whole problem.

Many of our people are part of the governments that are concerned with this work. They will do their job in their day by day occupations, and, hopefully, they will carry their abilities over to make a contribution to help the Society on what we are talking about today.

I would like to simply make the point that we think the time has come to be serious about a nondegradation policy for the land of our country, the soils of our country, comparable to what we adopted more than a decade ago in regard to our water.

Ms. PERRI. Thank you.

Mr. Gray.

Mr. GRAY. I think, obviously, the GAO is one of the first agencies to pick up on the fact that our cost-sharing programs, our technical assistance programs in the past, and it was revealed very strongly to us in the AFT analysis that we just completed the 1977 NRI data, that many of the conservation practices were not going on the most erosive land. Therefore, the cost of those programs, in terms of soil saving, was very small, very minor. The 1982 NRI will give us a better idea whether or not that is continuing to occur, and agencies like GAO that continue to look into that will help. We plan to go into the 1982 NRI and take a look at that and provide the committee and other committees with that kind of information and I am sure USDA is going to be doing that as well.

Now, one of the things, the other point I would like to make is that on set-aside programs, there is no reason to believe that no matter what happens in the 1985 farm bill to the target prices, the loan programs and so forth, as part of the regular farm commodity program that we will probably have to have set-aside programs in the future, some kind of set-asides for supply control.

I think that because of all the negative thrust that was received on PIK that it is important that we build more into those programs and, therefore, we get more cost-effective use of that land that we take out. That is why soil erosion as part of that, as part of a reserve is going to not only help with the surplus problem, and there are surpluses, and we have to keep supplies down, it is also, in some areas of the country, going to encourage an economic change in the existing agriculture. In other words, when we get more of that land back in grass and trees, we may start shifting to some more livestock and less intensive use of that land. I think that is good. I think that those kinds of threefold approach to a set-aside program in the future is going to really mean we are getting more for our buck. That is important. So I think two points, one, that the set-aside programs have got to be used that way in the future; and, two, we have got to watch very closely the cost-sharing programs and technical assistance to make sure it is going on that land that has the erosion problems and we are getting a reduction in erosion. If we are not, we are really just wasting money.

Ms. PERRI. Thank you.

Mr. Durban.

Mr. DURBAN. Thank you. The national association represents some 3,000 soil and water conservation districts, local units of State

governments, scattered completely across this land. What we need more than anything else insofar as alleviating some of the pollution problems that we have is consistent national programming. One that we as farmers can continue to count on from year to year and know where we are. We have to know. We cannot plan 6 months for what is going to happen 6 months later. It has to be longer than that. That is a vital concern.

We have, as a national association, in the last couple of years put together a conservation tillage information center with the assistance of industry, various agencies of Government, a cooperative effort across this Nation that has information by the ream in that regard. One of the most cost-effective practices that we can put together to alleviate some of the pollution problems we talk about. As a result of that, we have made tremendous gains in this field. The comment has been made how much have we saved? Where have we gained? That is difficult to say, but had we not done some of the things we have been doing, it is also difficult to say where we would be at this point. So we have that kind of a mechanism. As I stated earlier, we are urban; we are agriculture; we represent the entire gamut of this country insofar as pollution problems are concerned.

I have heard agriculture is the reason for a lot of pollution of lakes. Well, I would submit that we also have some point sources that have caused some problems. So I believe that we cannot point our fingers. We have a problem that we can all alleviate, and I think, by working together, by having a consistent program, we can accomplish those goals.

Ms. PERRI. Thank you.

Mr. Cook.

Mr. COOK. Yes. Ms. Perri, you asked about how one goes about determining cost effectiveness and what can be done by the various people around the table. I have no network of people out there in the field. I envy the people who do. But I do have a Panasonic calculator and I can give you a list of information that has been collected by the Department, but not released, that would be very valuable. If you include the two NRI's the conservation reporting and evaluation system (CRES) and the conservation use acres evaluation study, somewhere in the neighborhood of $30 million worth of data are spinning around in the Washington Computer Center, downstairs in the South Building of the Department of Agriculture. Very little of that data has ever seen the light of day. In particular, if you are looking at cost effectiveness, we need to have the conservation use acres evaluation raw data. I think that I am not alone in saying that I do not trust the Department at this point to interpret that data honestly.

Ms. PERRI. Thank you.

Tom.

Mr. FRANKLIN. The Wildlife Society, as some of you know, is an association of professionals working actively in the wildlife management field. We have approximately 8,000 members working around the world, most of them in the United States. These people have expertise and an understanding of the impact of land use programs on wildlife resources. They are available and interested in working, as Dr. Wentz mentioned, with agricultural committees

and local, regional, and national groups on a continuing basis. In the past we have been locked out of this process but I think communications are opening. We have the mechanism through continuing education programs at our local, regional, and national meetings to get the appropriate information out to the professionals working on agricultural programs and we can work cooperatively with industry and landowners. So I think we can be effective.

Ms. PERRI. Thank you. Mr. Sharpe.

Mr. SHARPE. I am afraid that it seems to me if one is looking to the groups around this table, particularly the citizen membership groups, for networks that will produce the data and subsequently the analysis of that data, one is bound to be disappointed. Certainly my group, and I suspect others, finds that our network is thin and tenuous at best. We have a great deal of trouble getting hold of the relevant data that has been collected and analyzed and synthesized by others so that we can use it.

I think the role that we do fill, and can realistically hope to fill, is a rather different one, and that it may be important to focus on that rather sharply. I think that what we have to offer is some capability to synthesize information, through probably not raw data. And, more importantly, to deliver that data within the policy process to policymakers and to interested concerned citizens, members of our organization, wildlife professionals, State agency people, and others around the country.

The focus of our potential contribution is on delivery, public awareness and, to some extent, hypothesis generation, coming up with ideas, identifying where the shoe pinches from a particular user point of view, and generating at least tentative suggestions which can then be further refined in the policy process as to how those problems might be solved.

Ms. PERRI. Thank you.

Mr. Sunderland.

Mr. SUNDERLAND. One of the soft areas in the cost analysis has always been the value of fish and wildlife. Recently there has been published the 1980 National Survey of Fishing, Hunting, and Wildlife Associated Opportunity. Plans are now underway to do this again for 1985. Our participation would be to help that survey be as accurate as possible and distribute it, and to try to get policymakers and planners to use the survey.

Ms. PERRI. Thank you.

Mr. Wentz.

Mr. WENTZ. Thank you, Karla.

Our organization is very much like the organization that Maitland Sharpe is talking about. Of course, we are a conservation educational organization. We do have an organization in every State with the current exception of Alaska, plus the Territories. Most of those organizations in each State have at least one paid staff member and in some cases they have many paid staff members. And those organizations are, in turn, composed of approximately 6,000 local clubs and organizations. We have delivery mechanisms through each of those organizations in each State, at the national level, et cetera. In addition to that, we also have a very large membership and we can deliver information to them through our national publications. We have been doing this with USDA and with

State agencies, in particular. And we would be very pleased to cooperate with USDA and other organizations on distribution of that type of information.

We do have some limited capacity for doing some data analysis, if that is a necessary type of thing. Normally what we would do would be to take what the agency has done, reexamine it, look at it in the context of a larger picture, perhaps with other agencies' information, or by trying to combine the agency information, and get involved in the policy formulation, as we have with your committee and so forth. I think that is primarily what we can contribute.

Ms. PERRI. Thank you.

Mr. Strother.

Mr. STROTHER. I am going to pass on that one.

Ms. PERRI. Thank you.

Mr. Sand.

Mr. SAND. I would just comment that prior to working for the foundation, I was employed by the Soil Conservation Service for several years. I made the switch to the private sector because it became quite clear to me that the Federal Government was never really going to be in a position to solve conservation problems this country faces, and that if anything were really to be accomplished in the time that it needed to be accomplished that it would have to be a partnership between the Government agencies and the private sector.

I was particularly intrigued by the amount of resources that major corporations put into research, demonstration, and education information, recognizing that those resources could be used to promote conservation in ways that Government would not be able to.

I am happy to say that the cooperation that I have received from Government agencies and agribusiness has been very good and useful. Probably the best example of the work that I have been able to assist with has been the development of the Conservation Tillage Information Center with the National Association of Conservation Districts. I think that is one good example.

I would point out though that the common tie that makes that partnership possible was the commitment by Government to farm profitability. If Government agencies are more concerned with regulation or cross-compliance or receiving matching funds and having the farmers sacrifice, then you are not going to receive a full partnership between the private sector and the public sector.

I think this will become ever more important in the next few years as the Federal Government loses, or perhaps has lost its ability to support farm income the way it has in the past.

So my only comment is I believe there is a great deal of cooperation, and that cooperation can be built upon as long as everyone shares a common concern for farmers.

Ms. PERRI. Thank you.

The hearing record will remain open for formal written comments for the remainder of the week. The hearing is now adjourned.

[Whereupon, at 3:50 p.m., the subcommittee adjourned, subject to call of the Chair.]

APPENDIX

STATEMENT OF HON. JESSE HELMS
A U.S. SENATOR FROM NORTH CAROLINA

Soil and water resources comprise the foundation necessary for producing America's abundant food supply. The maintenance of these resources is essential in assuring that the American farmer remains the world's leader in food production. This challenge is being met by many of you present at this hearing today--those in the Department of Agriculture and those in the private sector representing the various public interest groups involved in conservation.

Another very important group of individuals' though not present here today, is actively involved in facing this challenge--the farmer, that individual who is working the soil. The farming community's contribution to conservation is often overlooked in these discussions. A farmer in Eastern North Carolina explained his conservation philosophy to me in this way. The use of the land is a privilege; it is God's gift for only a lifetime. As a steward or keeper of the land, this farmer feels a responsibility to leave the land in a better state than when it came into his care.

I am not naive enough to think that every farmer is as good a manager of our natural resources as they could be. This fact is the very reason for my support of S. 663, the "sodbuster" bill. Some farmers just cannot seem to say "no" to expanded agricultural production, even if the cultivation of marginal land is necessary. Agricultural production that is encouraged to continue on these marginal lands is one of the greatest threats to a possible increase in soil erosion.

The responsibility to maintain and conserve our soil and water resources is shared by farmers, by local and state governments and by the Federal Government. The purpose of the hearing today is to review the responsibility carried out by the Federal Government. The Committee will review the Administration's fiscal year 1985 budget proposals and the effectiveness and efficiencies of the various conservation programs.

As part of the review of these conservation programs, I am submitting for the record the written testimony of Mr. Paul Marsh, a member of the Grace Commission Task Force that reviewed the Department of Agriculture, specifically, the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. Mr. Marsh recently testified before the full Committee and presented several sound recommendations for improving the operation of the various conservation programs, such as accelerating automation of the county ASCS and SCS offices and improved methods for reducing soil survey

costs. I hope that the Department will respond to these recommendations and shed some light on the feasibility of implementing the Grace Commission suggestions.

Senator Jepsen, I appreciate your continued leadership in conservation. You have brought together a group of individuals for the hearing today who can assist the Committee in directing the focus of conservation for the future.

STATEMENT OF HON. ROGER W. JEPSEN
A U.S. SENATOR FROM IOWA

I would like to welcome everyone here today on behalf of the Senate Subcommittee on Soil and Water Conservation, Forestry and Environment.

This is the subcommittee's annual oversight hearing on the U.S. Department of Agriculture's fiscal year 1985 budget proposals for soil and water conservation programs. In addition, the subcommittee will examine the department's progress in implementing the national conservation program, and current research activities in conservation.

Almost one year ago today the subcommittee began the first in a long series of nationwide hearings on soil and water conservation problems and to ascertain whether the priorities and direction set within the national conservation program would address those concerns.

You all know that I feel soil erosion is one of the most serious resource conservation problems facing this nation today. The preservation of the productive resource base of this nation--our agricultural lands--is a national priority now and most likely will remain so for the immediate future.

For example, last September during a subcommittee hearing, it was revealed that many farmers were not complying with the conservation requirements of the payment-in-kind program. Because of this, idled lands were eroding in some cases at increased rates because they were left bare. Therefore, I initiated a 14 point program that would provide an incentive to farmers to cover land idled under future production adjustment programs.

That initiative is part of the department's 1984 acreage conservation reserve program. It allows farmers to idle additional acres under a long-term conservation contract. In addition, I have introduced legislation, S. 2195, which provides for long-term contracts of 5 to 10 years to keep land under permanent conservation cover. These initiatives address only part of the problem.

Other actions needed are to integrate soil and water conservation objectives within a comprehensive domestic and international food and agriculture policy. It is toward this goal that the subcommittee will focus its efforts this coming year, and next year as the Congress begins to work on the 1985 farm bill.

Based on the testimony I have listened to around the country, it is clear that the central objective of any national food and agriculture policy cannot be solely to produce maximum yields for maximum profit, but to ensure the long-term stabilization of the agricultural economy in concert with its environment.

I think the most interesting and promising information to be gleaned from all of the hearings this past year is the growing consensus among farmers, farm group leaders, conservationists, State officials, economists, and others. When asked, most people feel that voluntary participation in conservation programs may no longer be a luxury this nation can afford. We are investing public dollars and the public trust in our efforts to preserve the resource base for future productive uses, and to renew the long-term prosperity of the agricultural economy.

It is clear that this consensus goes far beyond simply agreeing with the concept of a conservation requirement in receiving Federal funds. Many are calling for action. And those in a position to do so, like myself, are beginning to take that action.

We cannot ignore the problems we have today with excessive wind and water erosion and related resource areas.

From where we sit today, I warn you very bluntly that our current agricultural land management practices cannot continue.

Abusive farming practices must change.

But at the same time we cannot lament the state of our resources--we have to recognize the few steps that we have taken in recent years and continue to build.

That is why we have asked the department to testify on the progress in implementing the national conservation program. We want to keep the dialogue going on these issues, and we want the subcommittee to continue to serve as a forum for debate on how to proceed in designing a national soil and water conservation policy.

STATEMENT OF HON. WALTER DEE HUDDLESTON
A U.S. SENATOR FROM KENTUCKY

Mr. Chairman, I welcome this opportunity to review conservation programs and related Federal budget policies.

Although we have come a long way as a Nation in better understanding the nature of our resource conservation problems--and we have enjoyed some successes in addressing those problems--there is a big job still to be done.

It is important to recognize that the conservation successes we have experienced to date are the result of a partnership that includes the commitment of Federal, State, and local resources. Unfortunately, I think some bureaucrats in the Office of Management

and Budget would like to dissolve this partnership by reducing and eventually eliminating the Federal conservation role.

I believe soil and water resource conservation problems are a national priority that must continue to be supported with a commitment of resources and leadership at the national level.

Congress has already provided the tools needed to begin work on these serious problems. Under the Soil and Water Resources Conservation Act of 1977, the Department of Agriculture was required to conduct a nationwide appraisal of our soil and water resouces. The appraisal was completed some time ago and, in many instances, our natural resource problems were found to be more serious than anyone had expected.

Unfortunately, the completion of the appraisal has not been followed by the establishment of an adequate conservation program to address the problems. It does not appear the administration has relied on the appraisal results in developing its subsequent funding requests.

In my opinion, a responsible and effective program would incorporate several key elements. These elements include:

First--a targeting program should be developed that does not neglect or penalize nontarget areas.

Second--the Federal Government needs to provide a level of technical and cost-sharing assistance that not only protects the existing resource base but begins the process of replenishing those areas damaged by erosion.

Third--a matching grant program should be implemented that provides incentives for the development of natural resource conservation programs at the State and local levels.

Fourth--the Rural Abandoned Mine Program should not be forsaken. In my State of Kentucky, over 100,000 acres of land could benefit from a program like RAMP.

Fifth--any national resource conservation program must provide for adequate upland flood protection.

The elements I have outlined should be key components in the administration's national resource conservation program. If adequately funded and properly administered, such a resource conservation program would resolve many of our soil and water resource problems.

In conclusion, I will point out that, despite the wide variety and complexity of our Nation's soil and water resource conservation problems, these problems all have one thing in common--they are national problems. The conservation of our natural resources should be a matter of concern to every American, and Federal programs should reflect the importance of these issues.

I will continue in my work to provide solutions to our soil and water conservation problems and look forward to reviewing the testimony of today's witnesses.

STATEMENT OF HON. HOWELL HEFLIN
A U.S. SENATOR FROM ALABAMA

Thank you, Mr. Chairman.

I am pleased that we are having this hearing today. I am certain that everyone present this afternoon shares my concern about the stewardship of our nation's valuable land and water resources.

In my State of Alabama, there is a tremendous concern about soil and water conservation, and this concern continues to grow daily. This concern is justified, since the average annual erosion rate in Alabama exceeds 10 tons per acre per year.

Such erosion problems drastically effect our farmers' ability to produce food and fiber. When the surface soil on cropland has been eroded to the extent that subsoil begins to mix with surface soil, problems develop. Dr. Ben Hajek of Auburn University, a leading researcher in soil erosion impacts on crop production, has shown that yields are reduced 15 percent for each 10 percent of subsoil mixed with topsoil.

Crop reductions, caused by erosion, drastically cut net farm incomes and the repercussions of such losses are felt nationwide. Conservation, then, is a national problem and a national responsibility.

I am aware that some progress has been made in slowing the erosion rate by the Soil Conservation Service, especially in the targeted areas. My state has 32 targeted counties and one county benefiting from the SCS Pilot Program. Progress has been made in these counties. For this, I would like to commend Assistant Secretary Crowell and SCS Chief, Mr. Peter Myers.

However, I cannot give more than partial credit to these distinguished gentlemen and the federally-funded programs. State, local, and private contributions for conservation works in Alabama amounted to $3.5 million last year reflecting a widening base of support for conservation activities. Efforts on the part of the farmers have also been enhanced. Acreage of row crops planted by conservation tillage methods has increased nearly 4,000 percent in the last ten years.

It is evident that individual farmers and individual states are increasing their efforts to maintain the productivity of American farmland, just as the Administration has stressed over the past few years. While state and local activity increases, the USDA's proposed budget slashes Soil Conservation Programs by $130 million, the proposal also cuts ASCS programs by 50 percent while retaining the same level for administrative. Evidentially, it costs just as much to operate one-half of a program as it does a full program.

This proposed funding reduction is certainly disturbing.

The Administration's directive to return more of the responsibility in designing and implementing a national soil and water conservation program to the state and local governments is also disturbing. Need I remind anyone present today, that it was federal farm policy that initiated fence row to fence row production practices, which has added tremendously to our nation's erosion problems. Soil and water conservation remains a national responsibility.

I am also concerned about the funding for targeted programs. While it is reassuring to know that the highest RCA priority is the reduction of soil erosion to maintain the productive capacity of agricultural land, is it necessary to redirect base operation funding to these targeted areas? A reduction in federal assistance signals withdrawal of national interest to many conservation districts. If these areas justify such a high priority, funding should be provided, but not at the expense of ongoing programs.

I realize that conservation is only one part of the multifacet agricultural policy, but it is a very important part. I also realize the need to practice constraint with the existing deficit. However, Mr. Secretary, we must not restrict funding that preserves the productivity of the land that feeds us, and the land that will feed future generations.

Thank you, Mr. Chairman.

STATEMENT OF HON. EDWARD ZORINSKY
A U.S. SENATOR FROM NEBRASKA

The Resources Conservation Act Appraisal has clearly demonstrated that the nation is on a disastrous course of depleting its soil and water resource base. Despite 50 years of national conservation programs soil erosion on cropland continues to exceed two billion tons of topsoil loss annually. This amount was probably exceeded last year as a result of the PIK program. The regional implications can be even more significant. USDA estimates, for example, that about 43% of the land used for row crops in the corn belt is composed of highly erodible soils. If erosion in this area is allowed to continue at the 1977 rate they estimate that potential corn and soybean yields would probably be reduced by 15-30% by the year 2030. These are costs that our nation's farmers cannot afford, these are costs that the nation cannot afford.

A strategy coming out of the Resources Conservation Act has involved targeting of USDA technical and financial assistance to those portions of the country where the most severe soil erosion problems are found. While the concept may have some merit, it was recommended with the understanding that there would be a continued basic level of assistance in all counties throughout the United States. The number of targeted counties has reached nearly a third of the total counties in the country and along with budget reductions has tremendously diluted the special effort that was intended. The ad-

ministration has required that any special targeted assistance come out of the basic program levels of non-targeted areas and then went a step further by drastically cutting the total amount available.

The President's budget proposal for Fiscal Year 1985 would hit USDA's conservation programs with severe cuts. The total budget of the Soil Conservation Service would be cut by 21%, the cost-share program of ASCS by 63%. Federal support for state and private forestry programs would be eliminated. Watershed protection work would come to a virtual halt. And under the conservation programs enacted in the 1981 farm bill, programs that stemmed from the RCA study and the work of literally tens of thousands of citizens culminating in the intensive effort of Congress, wouldn't be funded at all. The Conservation Technical Assistance Program of the Soil Conservation Service should be increased by $20 million dollars to allow the targeting needs to be met while keeping the base program at the level that was available in 1983. The Agricultural Conservation Program should continue to be funded at the $200 million level instead of $80 million. The PL 566 Watershed Program should be funded at the $200 million instead of the $86 million proposed. The Great Plains Conservation Program at $21 million instead of $17 million and the Resource Conservation and Development Program at $26 million instead of $0.

When budget outlays for USDA are currently running around $35 billion dollars a year, it seems unbelievable that the agency would recommend, through the President's budget, cuts to the extent that have been suggested for basic soil and water conservation programs.

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STATEMENT OF HON. JOHN B. CROWELL, JR., ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the Subcommittee, I am pleased to be here today to discuss USDA's fiscal year 1985 budget proposals; progress in implementing the National Conservation Program; (NCP) and current research activities in resource conservation. With me today are Pete Myers, Chief of the Soil Conservation Service (SCS), Dr. Terry Kinney, Administrator of the Agricultural Research Service (ARS), and Everett Rank, Administrator of the Agricultural Stabilization and Conservation Service (ASCS). I have a brief statement, and I would like to submit for the record some brief responses to questions that have been raised regarding specific programs.

Soil and Water Conservation Program - Fiscal Year 1985 Budget

The budget proposes $725 million for the Department's conservation programs. Funding for conservation technical assistance, soil surveys, research, andOanalysis will be continued at about the FY 1984 level. Financial assistance and related technical assistance for watershed construction is reduced by $244 million. Total staffing in the SCS (the second largest employer in the Department) will be declining somewhat in both FY 1984 and FY 1985 as the Department continues to reduce overall employment levels. In geographical areas where problems are the most serious, however, staffing levels will be maintained and in some areas increased. In FY 1985, there will be 917 counties within these "target" areas. These areas encompass nearly 46 percent of the most seriously eroding farmland in the country.

The SCS has initiated a plan to rearrange personnel so that maximum assistance is available at the field level. Efforts were begun in FY 1982 to:

1. Reduce total of National office (including National Technical Centers) staffing to 7 percent of the total SCS work force.

2. Reduce total of State office staffs to 18 percent of the total SCS

3. Increase total of field office staffs to 75 percent of the total SCS work force.

We are evaluating the possibility of consolidating our 54 separate administrative staffs to fewer than 10. This could reduce the number of employees performing administrative activities and make positions available at the field office level. We plan to complete this study by August 1984.

National Conservation Program

President Reagan sent the NCP to the Congress just over a year ago. The President and Secretary Block are committed to this program, which presents a realistic and effective game plan for helping to correct the Nation's soil and water resource problems over the next few years. The program requires spending two-thirds of all USDA conservation program funds in support of the three highest NCP priorities of reducing soil erosion, controlling upstream flooding, and improving water conservation. By focusing our efforts on these most critical resource problems, we believe that the effectiveness of USDA programs can be increased even during these difficult economic times when Federal spending must be constrained.

Our primary emphasis over the past year has been on implementing the NCP. A key feature of the program is the targeting of SCS and other USDA programs to areas with critical resource problems.

Our targeting emphasis completed its second full year of operation in 1983, and we are seeing positive results. During FY 1983, farmers and ranchers reduced soil erosion by nearly 29 million tons on 5 million acres in 339 counties through increased application of soil conservation and water management. This averages to almost 6 tons of soil loss prevented per acre in those counties. The benefits of targeting are most apparent in the 10 States where additional erosion control assistance has been available since FY 1981 when the program was first started. In less than 3 years, we have been able to reduce erosion in more than one-fourth of the cropland in these original targeted areas. Water conservation targeting was carried out in 153 counties

during FY 1983. This effort resulted in conserving 276,000 acre feet of water on 549,000 acres of irrigated cropland. We still have a long way to go, but we are encouraged by these indications that the program is working.

A key to the success of this effort has been the ASCS, which has been targeting cost-sharing assistance provided under the Agricultural Conservation Program since FY 1982 as a joint effort with our targeted technical assistance. State and local agencies have added additional resources in many instances. This kind of cooperative effort permits Federal conservation funds and staff to be focused where the need is greatest and where the nation can benefit the most from the Federal investment.

We are optimistic about the possible substantial prevention of soil erosion in 1985 with targeted technical assistance. The bar chart submitted for the record shows estimated soil erosion savings of about 128 million tons, a considerable increase above 1983 and 1984. Savings on category III land should increase by more than 50 percent from the 1983 level, while savings n category I and II levels will be the same or only slightly less.

1983 RCA Progress Report

I want to highlight for the Committee some of the major findings included in the FY 1983 RCA Progress Report that will be submitted to the Congress shortly. The report will indicate that we have made substantial progress in strengthening USDA soil and water conservation efforts. Key points are:

USDA agencies have increased the percentage of funds addressing the top three NCP priorities from 54 percent in 1981 to 69 percent in 1983.

Targeting to critical areas by SCS and ASCS has produced significantly higher accomplishments per dollar compared with the nontargeted program. I will provide a table for the record showing comparisons for 1983, 1984, and 1985.

Technical assistance funds were allocated so as to give greater emphasis to current resource conditions and to NCP priorities and less emphasis to "historical" shares.

The conservation partnership has been strengthened by the preparation of multiyear conservation plans by 40 States and by increases in conservation funds by State and local governments.

Conservation tillage has increased dramatically and is still growing, in large part because of significant private contributions and emphases such as the Conservation Tillage Information Center and by the SCS soil conservationists working with individual farmers. ASCS has strongly emphasized conservation tillage through cost-sharing in the Agricultural Conservation Program (ACP). In FY 1983 cost-shares of nearly $11.4 million were paid to obtain conservation tillage on 919,000 acres.

Pilot projects were started in Alabama, Idaho, and South Dakota to test the feasibility of different incentives for long-term conversion of highly eroding cropland to grass or trees.

Economic Research Service has began an intensive study of the relationship between USDA commodity and conservation programs with the aim of identifying program provisions that discourage conservation.

Improved reporting systems have been installed in the SCS and the ASCS to gather better data on conservation accomplishments. The data will be used in evaluating conservation progress and making further adjustments in conservation programs.

On December 8, 1983, the Secretary announced several other conservation initiatives, including: (1) a special allocation of $20 million in ACP funding to encourage farm program participants to plant perment cover on land taken

out of production in 1984; (2) revised wheat program rules to credit as conservation use acreage land devoted to perennial grasses and legumes in the Palouse region in Oregon, Washington, and Idaho; (3) further expansion of targeting (4) plans for two national conferences on conservation; and (5) a nationwide information and education campaign led by Food and Agriculture Council.

Conservation Research

Each year the SCS prepares a report describing the highest priority research needs. Highest priority needs for 1984 are:

(1) Research Needs--

Erosion Soil Productivity Relationships

Conservation Tillage Systems

Prediction of Ephemeral Cropland Gully Erosion

Crop Production Systems for Areas with Limited Water Supply

Net Economic Benefits of Soil and Water Conservation

Gully Prediction, Prevention and Control

Effects of Intensive Grazing Systems

Improved Use of Universal Soil Loss Equation on Rangeland

Socio-economic Factors Affecting Adoption of Conservation

Improved Spillway Design

Accelerated Water Quality Research

(2) Extension and Technology Needs--

Educational Efforts on Conservation Tillage Systems

Potential Uses of Microcomputers for Technology Transfer

Encourage Use of Warm Season Perennial Grasses

ARS has responded very positively, especially with regard to erosion soil productivity relationships and conservation tillage research where ARS has redirected resources to accelerate their efforts. Dr. Kinney of ARS will provide more detail in the research area.

Summary

It is through these efforts, combined with the strengthened State and local government and private sector efforts, that we can proudly say we have a better conservation program today then we had yesterday and that we will have a better program tomorrow than we have today.

USDA Soil and Water Conservation Programs

Agency/Program	1983	1984	1985
	(Dollars in Millions)		
Soil Conservation Service:			
Conservation technical assistance	$251	$275	$270
Soil surveys, resource inventories and analysis.	85	80	81
Great plains conservation program	21	21	17
Watershed planning and river basin surveys	25	24	21
Watershed construction and resource conservation and development/Trust Funds	349	202	87
Total, SCS	731	602	476
Agricultural Stabilization and Conservation Service:			
Agricultural conservation program	190	190	80
Other cost-sharing programs	21	28	(10)
Colorado River salinity control	(4)	(4)	13
Administration	38	36	36
Total, ASCS	249	254	129
Other USDA Agencies:			
Extension Service	16	16	17
Agricultural Research Service	61	64	66
Cooperative State Research Service	28	27	27
Economic Research Service	4	7	7
Forest Service	3	3	3
Farmers Home Administration (Loans)	(50)	(61)	(26)
Total, Other USDA Agencies	112	117	120
TOTAL, USDA	$1,092	$973	$725
Recapitulation by function:			
Technical assistance, research and and analysis functions	$473	$497	$493
Contruction and financial assistance programs	619	476	232
TOTAL	$1,092	$973	$725

UNITED STATES DEPARTMENT OF AGRICULTURE

Analysis of Soil and Water Conservation Problems, and Estimated Levels and Accomplishments of SCS Technical Assistance on Base and Targeted Areas, 1983, 1984, and 1985

Problem Category	Potential Assistance level: Total	Base	Targeted	Accomplishments: Benefitted Base	Benefitted Targeted	Protected Base	Protected Targeted	Erosion Prevented: Base	Erosion Prevented: Targeted	Performance: Soil Saved Base	Soil Saved Targeted
	Million Acres							Million Tons		Tons/Acres Treated	
Cropland Erosion: a/											
1983:											
Less than T to T	256.8	232.9	23.9	7.6	1.6	4.3	0.7	10.0	2.1	1.3	1.3
T to 2T	73.8	58.2	15.6	6.6	1.7	3.8	1.1	28.0	8.3	4.2	4.9
More than 2T	82.7	62.4	20.3	7.7	1.7	4.4	0.6	37.0	18.4	4.8	10.8
Total	413.3	353.5	59.8	21.9	5.0	12.5	2.4	75.0	28.8	3.4	5.8
1984:											
Less than T to T	256.8	212.9	43.9	3.8	2.4	1.0	1.3	7.6	2.3	2.0	.9
T to 2T	73.8	45.1	28.7	4.6	2.7	5.0	2.4	18.9	12.5	4.1	4.6
More than 2T	82.7	50.4	32.3	4.8	3.0	4.0	1.3	27.1	36.6	5.6	12.2
Total	413.3	308.4	104.9	13.2	8.1	10.0	5.0	53.6	51.4 b/	4.1	6.3
1985:											
Less than T to T	256.8	200.9	55.9	3.2	3.1	.8	1.6	6.4	4.0	2.0	1.3
T to 2T	73.8	40.0	33.8	3.8	3.5	4.5	3.1	15.6	19.1	4.1	5.5
More than 2T	82.7	44.5	38.2	4.0	3.9	3.6	1.6	28.7	55.1	7.2	14.1
Total	413.3	285.4	127.9	11.0	10.5	8.9	6.3	50.7	78.2	4.6	7.4

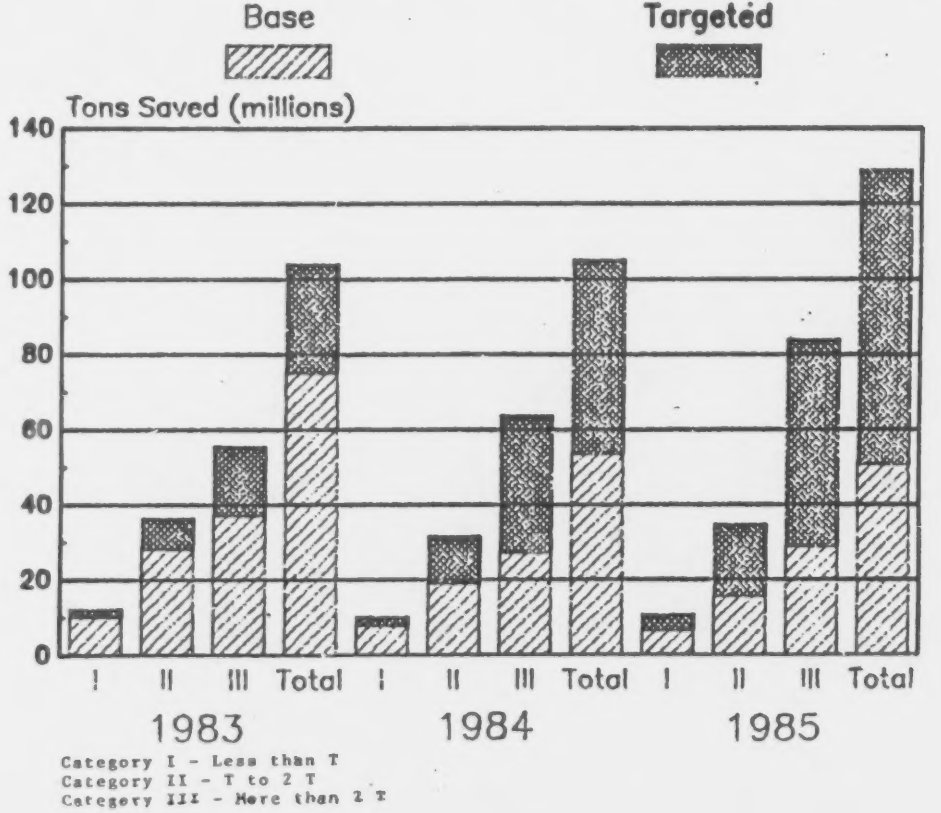
Water Conservation	Treated Base	Treated Targeted	Water Conserved Base	Water Conserved Targeted	Performance: Water Savings Base	Water Savings Targeted
	Million Acres		Million Acre Feet		Feet/Acre Treated	
Irrigated cropland:						
1983	62.5	42.5	20.0	8.1	0.55	1.70	0.28	.21	.5
1984	62.5	40.9	21.6	8.3	0.75	1.70	0.35	.21	.5
1985	62.5	40.8	21.7	8.0	0.95	1.60	0.41	.20	.4

a/ T = soil loss tolerance. Distribution of cropland acres by erosion category includes wind erosion as well as sheet and rill erosion. Distribution was made according to actual T rather than an assumed T of 5; therefore, it differs from data displayed in the 1980 Appraisal Part I, Table 34.

b/ Revised estimate.

Revised:2-21-84

Erosion by Land Category



GAO Report

Question — The recent GAO report "Department of Agriculture Soil Conservation Programs are not Realizing their Full Potential in the War Against Soil Erosion" makes several recommendations for program improvement. What is USDA's reaction to these recommendations?

Answer — Generally USDA is in agreement with the 11 recommendations contained in the report. In fact, we have already taken actions to implement many of these recommendations. For the record, I would like to provide a copy of USDA's full response to these recommendations.

GAO FINAL REPORT RCED-84-48, DATED NOVEMBER 28, 1983, ENTITLED "AGRICULTURE'S SOIL CONSERVATION PROGRAMS MISS FULL POTENTIAL IN THE FIGHT AGAINST SOIL EROSION"

General Comments

As stated in our response to the Draft Report, "Department of Agriculture Soil Conservation Programs Are Not Realizing Their Full Potential in the War Against Soil Erosion," the Department of Agriculture generally agrees with the thrust and many of the conclusions in the final report.

We plan to implement most of the GAO recommendations in the final report as soon as research is completed and technology is available. Many of the proposed actions are already being implemented in the Department of Agriculture.

GAO Recommendation Chapter 2, page 21

Consider and clearly describe how the ARS program will address the erosion/productivity research needs described in SCS' January 1983 research needs report.

Response

The Agricultural Research Service (ARS) has responded very positively to the need for erosion/productivity research. Within two months after completion of the report on research needs, ARS conducted a workshop on this subject at Denver, Colorado, at which their top scientists, along with those from many universities and State experiment stations, shared knowledge on this subject and prepared a plan of work to accomplish the needed research. This is reflected in ARS' Program Plan-Six Year Implementation Plan. Following is a very brief summary of ARS' progress thus far.

ARS scientists, in cooperation with professionals from Economic Research Service (ERS), Soil Conservation Service (SCS), and other institutions, have developed and will shortly complete testing of the Erosion-Productivity Impact Calculator (EPIC) model, for use in the 1985 Resource Conservation Act appraisal of erosion related losses in productivity for all Major Land Resource Areas of the United States. A soil Productivity Index (PI) concept has been developed to estimate the effects of continuing the present rate of erosion for extended periods of time and to estimate the vulnerability of soil productivity to erosion. Field experiments have been designed and the collection of definitive research information has begun at over 24 ARS locations across the United States. Many ARS locations have only collected their first or second year of data. However, yield reductions of up to 52 percent have been observed in Georgia for severely eroded compared with slightly eroded soils. Crop production losses of 20 to 50 percent have been observed where topsoil depth was reduced from 35 to 15 cm by erosion in the upper ends of irrigated fields in Idaho. Many other examples of significant progress are evident in this national effort which will establish through research, as well as by modeling approaches, the actual impacts of erosion on soil and crop productivity.

GAO Recommendation Chapter 2, page 21

Address the need to resolve the issue concerning the degree to which various kinds of soils can tolerate erosion before degradation occurs (that is, either revise or replace T, the current erosion tolerance criterion).

Response

SCS in consultation with ARS and ERS is in the process of revising erosion tolerance criteria.

Qualitative concepts that would allow establishing critical standards for each kind of soil have been developed and have been discussed within SCS and with sister agencies. The proposed concepts center around the maximum rate of erosion at which the quality of the surface soil is maintained (critical for minimizing future rates of erosion), and at which the loss in potential soil productivity is minimized. The concepts also include consideration of tolerable offsite damages to land, water, and air resources.

The quantitative implementation of these concepts will require the completion and testing of models on the impact of erosion on potential soil productivity, such as EPIC or the PI, as well as models of organic matter equilibrium and watershed hydrology, which are being developed by the ARS in close cooperation with ERS and SCS. Initial standards for internal evaluation are expected to be completed in March, 1984. They are to be refined as more information and better scientific criteria become available.

GAO Recommendation Chapter 3, page 35

Recognize that USDA's primary soil conservation objective is to reduce erosion's harmful effects (onsite productivity losses and offsite damages) as opposed to simply achieving reductions in soil displacement (gross tons or tons per acre).

Response

USDA agrees with this recommendation and already has this policy in effect. The National Program for Soil and Water Conservation, submitted to the Congress by the President in December, 1982, has as its first objective, "Develop a program that will lead toward non-degradation of the Nation's soil and water resources." In support of this objective is the following statement, "Maintain the quality of the resource base by alleviating erosion and other factors that reduce the long-term productive capacity of soil and water resources on crop, pasture, range, and forest lands."

USDA will continue to further implement this policy as additional research data becomes available.

GAO Recommendation Chapter 3, page 35

Require USDA agencies to allocate conservation funds according to a prioritization of erosion's harmful effects (onsite productivity losses and offsite damages) at the earliest possible time. Similar approaches would need to be followed in the allocation and use of conservation funds at the State and local levels.

Response

USDA agrees with the recommendation of using the harmful effects of erosion as part of the criteria for the allocation of funds. However, measures of erosion's effect on productivity are not yet available for use in estimating each State's conservation needs. This will be done as defensible data are available.

In addition, USDA conservation funds are used for purposes other than soil erosion including water quality, water conservation, reduction of flood damages, improvement of rangeland, improvement of forest land, improvement of habitat for wildlife and others. Therefore, it is not possible to use the harmful effects of soil erosion as the sole criteria for conservation fund allocation.

We have instituted a variable cost-share level pilot effort which uses the T-value as a factor in determining cost-share level. The T-value is an estimate of the amount of erosion a soil can withstand indefinitely and remain economically productive. Although it is recognized that T-value is an imprecise measure, it is the best measure currently available that can be used in adjusting cost-share levels by the degree to which erosion is affecting the productivity of the land. The universal soil loss equation (USLE) is the primary tool used in calculating erosion rates. Like T-value, it is the best practical method available in measuring sheet and rill erosion.

The report notes that the USLE measures soil displacement and that a measure of soil loss would be a better measure of erosion. It should be noted that soil displacement has a damaging effect on the land since soil being displaced is usually eroding from the slopes; and whether or not it is deposited in depressions, the area on the slopes which have eroded have suffered a permanent loss of soil.

The Department is continuing to seek improved methods to determine soil loss; and to differentiate between soil displacement and actual soil loss reaching waterways, that could cause harmful effects to downstream users or aquatic life in or near the stream. Since these methods have not been perfected nor are the harmful offsite effects measurable to date, the ideal method of determining allocations cannot be implemented at this time. However, our current allocation system does address the areas we believe would be of primary concern under the ideal, although no data are currently available to support this hypothesis.

GAO Recommendation Chapter 4, page 46

Require that ASCS provide local ASCS committees with CRES-generated cost/benefit data, statistically significant at the local level, for all approved soil conservation cost-share practices as soon as these data become available and require that these data be used as a basis for future decisions on providing ASCS conservation assistance.

Response

ASCS and SCS have intended, from the inception of the Conservation Reporting and Evaluation System (CRES), to provide cost/benefit data to the county ASC committees in order to improve the cost-effectiveness of ACP and other land treatment programs. As soon as practical, States and counties will be furnished data similar to that shown in the table on page 38 of the GAO report. Even with this information, however, there is no assurance that the cost-effectiveness will improve, since local committees still have the authority to approve individual requests.

When the ASCS County Office Automation Study is fully implemented nationwide in all offices, ASCS county personnel will have the ability to apply computerized systems to each field or area where a producer requests assistance. By doing this, we believe producers may opt to apply either less expensive or more effective practices instead of applying traditional practices that may be more costly or less effective. USDA State Offices will also be able to evaluate their own performance using CRES data.

Until such time that each county can provide this service to the producer, it is anticipated that supplying CRES-generated data to the local level will provide county committees an incentive to approve only the more cost-effective practices in the future, since they are aware that funds will eventually be allocated based on the effectiveness of their fund usage.

GAO Recommendation Chapter 4, page 46

Require that SCS test the feasibility of variable-rate cost-sharing for its Great Plains Conservation Program.

Response

SCS will more fully analyze the applicability of the approach to varying cost-share rates among land users in the Great Plains Conservation Program

(GPCP) that GAO suggests. Because of the unique characteristics of the program, this is an essential first step before any field testing is undertaken.

It is important to recognize that cost-sharing rates are already "variable" among States and counties in the GPCP area. The recommendation would vary cost-share rates for individual practices among land users much the same as in the variable cost-share level (VC/SL) pilot program for the Agricultural Conservation Program (ACP).

The VC/SL was designed to fit a process that involves applying individual practices without requiring those practices be integrated into a system that fully meets the resource needs. It was designed to focus more attention at the local level on the use of technical data (before and after soil loss estimates) as the basis for deciding who receives ACP cost-sharing. Because one requirement in the GPCP is a conservation plan for the entire operating unit, technical data are the basis for decisionmaking in that program. Careful review of CRES indicates that ACP long-term agreements, which are also based on a conservation plan, are as effective as VC/SL in the annual program.

Preliminary indications of our analysis are that cost-effectiveness (a goal of VC/SL) can be increased in GPCP through improvements in the process that SCS uses in selecting which land users receive a GPCP contract based on the severity of their resource problems.

GAO Recommendation Chapter 4, page 46

Require that SCS include in its report to the local ASCS committee, where applicable, a list of alternative practices that could effectively address an applicant's erosion problem.

Response

As stated in the USDA review comments on the draft, this is in line with the intent of current procedures. SCS will make an appropriate revision in procedural guidelines to clearly establish this procedure for implementation at the start of FY 1985. Treatment options are discussed with the applicant during the planning process. Where the request for ACP assistance follows from the conservation planning process and where the producer has a conservation plan, little is gained by listing alternatives that were discussed and not agreed upon. Several factors affect the applicant's decision as to which practice or combination of practices is to be applied--necessary cropping system changes, level of management required, initial cost, personal preference, farming equipment owned, community custom and values, etc. In many cases, the practice that is least costly to the government may not be practical or feasible in light of the land user's decisionmaking criteria.

SCS will revise current policy to require that the technician, in those cases where the producer does not have a current conservation plan, list alternative practices where such practices would be compatible with the ongoing or planned cropping system, and significantly more cost-effective than the practice requested.

GAO Recommendation Chapter 4, page 46

Expand the ASCS variable-rate cost-share pilot project as quickly as practicable to obtain a representative sample of all counties where the Universal Soil Loss and Wind Erosion Equation formulas can be used; expand the variable-rate concept programwide if test results are favorable; and reorient resource allocations at the local level using CRES cost-effectiveness as the short-term criterion and reductions in erosion's harmful effects as the long-term criterion.

Response

An Administrator's Memorandum was sent to each ASCS State and County Office on December 8, 1983, asking them to review VC/SL procedures, encouraging them to volunteer, and to provide a list of volunteer counties to the National Office by February 1, 1984.

The VC/SL was modified this year to be applicable to all practices applied for

the purpose of treating soil erosion and expanded to include losses due to gully, concentrated flow and irrigation erosion. Since all counties are now covered by CRES, there is only a limited amount of additional calculations required for a county participating in VC/SL.

Since counties have now had time to study the VC/SL procedures, been encouraged to participate, and are already collecting data required to determine VC/SL's, it is expected that there will be a significant increase in the number of participating counties.

GAO Recommendation Chapter 4, page 46

Reassess research priorities concerning conservation tillage to assure that allocated resources sufficiently address the needs identified in the January 1983 SCS research needs report.

Response

ARS has redirected several of its research programs at many locations in order to better address the need for increased conservation tillage research within that agency's allocated resources. A brief summary of ARS' progress on conservation tillage research follows.

Research on conservation tillage is underway at 36 ARS locations where scientists are working on one or more aspects of the subsystems required to develop effective and acceptable conservation tillage systems in major land resource areas. These subsystems include weed control, machinery systems concepts, water management, management of soil physical properties and temperature, nutrient management, and crop germplasm development. Much of the work reported has been directed toward assessing the consequences of a change in tillage system on the primary variables that control crop growth. As these functional relationships between cause and effect are better understood in quantitative terms, ARS will emphasize research devoted toward the development of models and management systems that incorporate these functional relationships. Groundwork for these models is being developed in the EPIC modeling effort directed toward predicting the consequences of soil erosion on productivity.

GAO Recommendation Chapter 4, page 46

Revise CRES data analysis procedures to assure that the combined soil erosion reduction benefits of several conservation practices are not attributed to a single practice when conservation practice cost/benefit tables are developed.

Response

In many cases where multiple components are installed, it is impossible to attribute a specific reduction in soil loss to each individual component since the combined results are not the sum of applying the individual components. For example, installing contour farming in conjunction with minimum till might result in reducing erosion by 10 tons/acre/year. However, if only mimimum till were installed, the savings would have been 5 tons/acre/year. Likewise, if only contour farming were instituted, the savings would have been only 2 tons/acre/year. Thus, the sum of the two components separately is 7 tons/acre/year while the effect of the combination is 10 tons/acre/year.

A problem also arises in which practice is evaluated first. The first practice evaluated will normally accrue the greatest benefits. The practice evaluated last will normally accrue the least benefits. USDA will continue to seek methods of evaluating conservation measures to determine cost-effectiveness of conservation systems and component practices.

Historically, a large percentage of practice applications have only one component installed, and it will be possible to evaluate the effectiveness of individual components by analyzing this subset of data with only one component for the practice.

GAO Recommendation Chapter 5, page 57

We recommend that the Secretary of Agriculture require that specific and detailed guidance, coupled with assistance approval certifications, as discussed above, be established and used at all State and local levels. This guidance should ensure that the government does not cost-share practices primarily used to enhance production or defray costs that are, or should be, part of normal farming or ranching operations, rather than to provide enduring conservation benefits.

Response

USDA recognizes that many conservation practices that are installed for conservation benefits may also enhance production. Current USDA policy emphasizes that practices being cost-shared must primarily provide enduring conservation benefits. When a referral for technical assistance is made under the ACP, the technician determines the need for the practice and the practicability of installing the practice. Current policy will be revised to require that the technician, in those cases where the producer does not have a current conservation plan, list alternative practices that will solve the conservation problem as effectively at less cost.

We are convinced that the new CRES data, being provided to county committees in advance of the committee's approval of the practice, will substantially improve the county committee's ability to make the proper decision on requests. These new data will inform county committees in advance of approval of the amount of soil to be saved by the application of the requested practice. There are positive results from the 1983 pilot program on CRES to show that county committees are responding favorably to this soil lost/soil saved information.

USDA will continue to provide guidance and information to county committees and technicians to insure that practices are installed which provide enduring conservation benefits.

Targeting

Question 1: How are targeted funds allocated to States?

Answer 1: State allocations for targeted areas are based on the extent of the targeted resource problem, the amount of technical and financial assistance in the ongoing ACP and CTP Programs, and the funding needs relative to other targeted areas. ASCS and SCS coordinate allocations to achieve the best balance between technical and financial assistance that appropriations permit. New areas are funded at levels that encourage orderly and efficient acceleration of the conservation programs.

After targeted areas have been operational for a year or more, funding is based on the above factors plus an adjustment to take into account targeting accomplishments.

Question 2: Do SCS field personnel give priority to work (projects) that are targeting projects over projects that involve assistance to farmers with erosion problems that are not excessive or critical?

Answer 2: Normally SCS gives priority to erosion control assistance over all other types of technical assistance. However, in some locations because of work load, additional priorities must be established for just erosion control work. In that case areas with excessive or critical erosion will receive the highest priority for assistance.

Answer 3: Selection of CTA targeted areas will be based on the following criteria

-Severity, extent, and impact of the problem

-Degree of success expected in terms of accomplishments and cost-effectiveness
-Local interest and/or financial support for the proposed effort

The severity, extent, and impact of the problem under consideration are intended to clearly identify the most critical problems. For example, if cropland erosion is the problem, what is the annual rate of soil loss per acre and how many acres are affected? How does this problem impact on agricultural production and what are the offsite damages? Is there really a critical problem?

The second consideration is designed to look at the expected degree of success in terms of the amount of accomplishments achieved and cost-effectiveness of the treatment. If proposed solutions to the problem are too costly, farmers will not apply enough treatment to reduce the severity of the problem. In other cases, there may not be sufficient technology available to develop a solution to the problem. In still other cases, farmers may not install conservation treatment without adequate financial incentives. These and other considerations affect the amount of success that we will have in treating critical problems. Unless there is clear evidence that a high degree of success in reducing the problem can be achieved, other problem areas should be selected.

A third and most important consideration is the local interest in and support for the targeted proposal. If local citizens and groups do not recognize the problem, or lack the interest to do something about the problem there is little chance for success. Targeting proposals must have the support of conservation district officials, the Agricultural Stabilization and Conservation Service (ASCS) county committees, and others. Our philosophy is to increase assistance where there is an ongoing local effort rather than initiate the effort.

Staffing Trends

Question 1: A recent study completed by the Congressional Research Service indicates that the SCS is top heavy. This increase in salaries comes over a period of time when overall funds have been reduced. This reduction in funds combined with increased costs caused by inflation mean that more of the funds are used to pay salaries and other personnel benefits. What is SCS doing to rearrange personnel so more assistance is available at the field level?

Answer 1: We are not aware of the study completed by the Congressional Research Service. We are aware of the fact that field level employment as a percentage of total employment began to decline beginning in FY 1977. And, that we began efforts in FY 1981 to increase the percent of employment at the field level. The following Table summarizes SCS staff years for the period FY 1977 to 1983:

	Staff-Year						
	1977	1978	1979	1980	1981	1982	1983
SCS total Employment	15,903	15,805	15,537	15,201	14,764	14,028	14,156
Field and Area Office Employees	11,246	11,202	10,937	10,696	10,419	9,965	10,164
Field and Area Employment Percent	70.7	70.9	70.4	70.4	70.6	71.0	71.8

- Overall SCS employment levels have declined 10.4 percent since 1978
- At the same time, field level (area and county office) employment has declined at a lesser rate of 9.3 percent and now comprises 71.8 percent of total SCS employment as compared to 70.9 in 1978.
- Obligations for salaries and benefits accounted for 55.2 percent of total SCS obligations in FY 1978 and 54.3 in FY 1983, a 1.6 percent decline over that period.
- It is true that the proposed 1985 budget reductions are primarily in our financial assistance and construction funds because:
    1. Our highest priority is on maintaining an adequate level of technical assistance to farmers and ranchers in addressing the serious soil erosion and water conservation problems we are facing.
    2. We need to maintain an adequate staff to provide the necessary assistance on contracts and construction projects that were started and funded under previous fiscal year's appropriations.
    3. These programs can be readily accelerated when the overall fiscal situation improve.
- The 1985 budget also includes a government-wide management initiative which would reduce the number of employees at the GS 11-15 grade levels.

High Technology

Question 1: Should Congress appropriate funds specially to modernize field offices thereby increasing the available time for farmer assistance?

Answer 1: No. We would not recommend that additional funds be appropriated for this purpose at this time. While we reconize the need for modernizing field offices and the increased program effectiveness and efficiencies that would result from such a system, we must deal with this need in the broader context of completing priorities and the need to hold down Federal spending

SCS has prepared a long-range plan to modernize office operations through the use of equipment such as microcomputers, high-speed printers, digital plotters and telecommunications equipment.

Direct assistance to the farmer is the key to getting conservation work applied on the land. Using small computers at the field office would reduce the time required for administration and management. They also would reduce the time required to develop conservation planning alternatives and to design conservation practices. They would permit SCS to more fully utilize multi-agency technology in field offices derived from modeling, such as off site benefits from conservation measures. SCS field productivity could be increased 10 percent when all the equipment is in place.

Current estimates indicate that it will cost $156 million to fully automate all SCS operations. The SCS plan proposes to fund this activity partially by redirecting ongoing funds and partially with new funds over the implication period required for automation.

Through FY 1985, funding will be through redirection. The question of new funding for FY 1986 and beyond will be addressed in the annual budget development process.

Question 2: What is SCS doing to put new technology developed through research into the hands of its field personnel?

Answer 2 SCS is implementing several models that ARS has developed with our support. Some of these projects have SCS personnel at the same physical location to assist in making these models suitable for our field people. Both ARS and SCS recognize the importance of a partnership relationship in development of field procedures, and the two agencies have developed a plan for model development and coordination. This plan includes the concept of a joint team effort with ARS having the responsibility for the research and development for models and SCS having the responsibility for producing the operational models for field use. These models will be used to assess the benefits of conservation measures in reducing erosion, improving productivity, and providing offsite benefits. This cooperative effort is active technology transfer and utilizes the strengths of both agencies to give SCS field personnel tools based on current technology. This technology will fully utilize the capabilities of the microcomputers being installed in our field offices and free more time for direct contact with farmers.

Conservation Technical Assistance Formula

Question 1: Explain the formula used to allocate conservation technical assistance funds?

Answer 1: I would like to submit for the record, a copy of a recent article published in the Journal of Soil and Water Conservation which explains the conservation technical assistance allowance formula.

A new look at funding technical assistance

By Peter C. Myers

THE most important line item in the Soil Conservation Service appropriation each year is "conservation operations." Eight of every 10 dollars in that account go to support trained conservationists who help land users plan, apply, and maintain natural resource systems. These conservationists help land users, conservation districts, local and state governments, and others locate sources of needed conservation assistance within the U.S. Department of Agriculture and elsewhere.

Conservation operations accounts for more than 40 percent of the total SCS budget and 60 percent of all technical help the agency provides. For fiscal 1984, the base allocation to states for funding SCS technical assistance is $215.4 million, up from the 1980 total of $190.6 million. This large share of SCS's life deserves to be spread among states efficiently and responsively. In a time of fiscal constraint and pressing but varied natural resource needs, efficiency and responsiveness become urgent matters. SCS now has a new funding allocation system that will help the agency do more to meet local and national objectives.

The historical base

Some 40 years ago, conservation technical assistance funds were allocated to SCS state conservationists based on the number of conservation districts organized in the state. Most SCS help is given through districts.

As time went on, "what we got last year" became the primary basis for allocating next year's funds. The result: States that were covered by conservation districts in the early years of district formation built up a larger base.

By the early 1970s, it was becoming clear that this incremental way of doing business was no longer good enough. It did not reflect the diverse resource needs of 3,000 conservation districts. It did not allow for changed resource conditions, community needs, or state priorities. It was well suited for additions but never subtractions.

The need for a new method was evident from several studies made under the Soil and Water Resources Conservation Act of 1977, from analyses of National Resources Inventory data in the late 1970s, and from several reports by the General Accounting Office.

A new formula

In January 1981, the SCS conservation planning and application staff at the national headquarters gathered up previous suggestions, did some thinking of its own, and designed a new formula for deciding how much of the available technical assistance money should go to each state.

As a base for the new formula, the staff selected 12 factors to indicate the resource quantities, conditions, and needs that a state may have that would represent the bulk of SCS activities and our clientele. The factors are (1) land area (acres); (2) farms and ranches (numbers); (3) conservation districts (numbers); (4) rural population (numbers); (5) soil erosion, by land use and erosion category (acres); (6) flood-prone lands (acres); (7) irrigated farmland (acres); (8) rangeland, by range condition category (acres); (9) areas being mined for coal, and old noncoal areas needing reclamation (acres); (10) urbanizing areas (acres); (11) animal waste situation (animal units and acres); and (12) pressures for prime farmland conversion to other uses (acreage of prime farmland divided by annual rate of loss). The first four factors relate to the historic base of assistance levels. They will help provide a smoother transition to the new system. The other eight factors are indicators of resource problems and needs on which SCS state and field offices are asked to help.

The conservation planning and application staff assigned a weight to each of the 12 factors to reflect current priorities in the national conservation program that President Ronald Reagan announced a year ago and to reflect the relative amounts of time that SCS conservationists would normally spend on these problems.

The staff then turned to the computer to test various weighting schemes and check the effect of various formulas on present state activities. The resulting drafts were reviewed with our staff in Washington as well as with state conservationists. Adjustments were made to maintain some continuity between the old and new allocation procedures and to fine-tune the tie between the allocation system and the national conservation program objectives.

Some modifications

The new formula was used for the first time in making 1983 budget allowances to SCS state offices. During the first quarter, the system was reviewed in detail with all state conservationists. We then modified the formula to reflect these additional considerations: federal lands leased to private individuals for grazing livestock; Indian lands within conservation districts; number of counties served by conservation districts; data on the impact of soil erosion ("T" of the universal soil loss equation, which refers to the tonnage of soil loss that can be tolerated without excessive loss in productivity); more weight for erosion control work on cropland; less weight for the flooding factor; more weight for water conservation and inclusion of drainage concerns; and a reevaluation of the data base for agricultural waste and related water quality concerns. The fiscal year 1984 revision to the allocation system incorporates these changes.

A loose-leaf system

We will continue to evaluate the system and make those changes necessary to meet the department's conservation mission or more fairly respond to urgent state needs. So it is a loose-leaf system, but certainly one that is a more objective and up-to-date for deciding who gets what. We will continue to make it better with the help and understanding of local and state officials as well as SCS field people. We also will minimize impacts on personnel changes by phasing the system in over the next 10 years.

It is unwise to make major shifts in funding for technical assistance all at once because that means transferring a number of people between states. Moving 100 conservationists—at an average cost of about $10,000 each—has the cost effect of losing 33 conservationists, not to mention the productive staff time that is lost during moves, which means fewer acres receiving conservation treatment. We hope, then, to approach staff changes slowly to minimize any effect on the flow of conservation accomplishment.

Under the revised 1983 allocation system, some states gain funds to meet resource needs and some states receive fewer funds than before. But the latter still get their "fair share" based on current resource trends and national conservation program priorities. In all, the new system will shift about 5 percent of SCS staff resources over the next decade to those states with more critical problems. Because the total base allocation has increased slightly each year, the extra amounts per state so far have softened or offset losses under the new formula in several states.

The new system establishes a trend line for each state that should prove useful in long-range planning. It is flexible because new data from the 1982 NRI and other sources can be applied quickly to update our information on the 12 factors and shift the allowances. It represents sound money management in times of constrained fiscal resources.

These changes in the distribution of conservation operations base funds will help SCS programs operate on analytical knowledge of resource problems, make hard choices on priorities, and produce steadily increasing gains in the battles against soil erosion and flooding and the battle for water conservation.

Outside the allocation formula, there are opportunities to make adjustments in SCS assistance within a state—from targeting for critically erosion-prone or water-short areas to project activities, such as small watersheds.

Targeting—available in 44 states and the Carribean area—has added $26.3 million to the base allocation. Its success in saving soil and water has helped keep the conservation operations appropriation higher in recent years than otherwise could be expected. (Some targeting is new money rather than money shifted among states.)

The changes in technical assistance funding formulas represent only one of a number of management shifts that SCS and other USDA agencies are making to be sure their programs work better in the future. □

Question 2: How has the formula and targeting allocations changed since the implementation of the National Conservation Program (NCP)?

Answer 2: Implementation of the NCP and the CTA formula began in FY 1983. The NCP requires targeted activities to increase by 5 percent per year until 25 percent of CTA appropriations are used for targeted activities. As the amount of the targeted funds increases each year, there is a corresponding decrease in the percentage of ongoing program funds distributed by the CTA formula.

In addition to the changes caused by increasing the percentage targeted each year, the CTA formula was changed for FY 1984 based on recommendations provided the chief by SCS State Conservationists. These changes helped to fine tune the formula so it will more fully meet the Departments resource conservation mission and more fairly distribute funds based on resource need. One example of a formula change is the way erosion data is displayed for each State. The change is based on actual soil loss tolerance values rather than the average national value of 5. This change more accurately reflects erosion-productivity relationships on the so-called fragile soils.

Additional changes will be made in the CTA formula data base for FY 1985 as the 1982 National Resource Inventory data becomes available.

The following Table shows how CTA funds are allocated for base program and targeted activities fiscal year 1983 to 1985

	Dollars in Thousands		
	FY 1983	FY 1984	FY 1985 (Estimated)
Total funds distributed to the States and Carribean area[1/]	229,776	251,442	146,800
Distributed by formula (base program)	211,449	220,642	202,940
Distributed by Targeting	12,500	27,000	40,060
Special Adjustment Distributions	5,827	3,800	3,800

1/ Excludes CTA funds distributed to National Headquarters and technical center staffs for program operation, technical support and administration.

Question 3: How does SCS decide which variables are most appropriate in composing the elements of the formula.

Answer 3: The formula variables are established using four considerations: (1) Legislative authority and responsibility; (2) current national conservation program priorities; (3) availability of resource inventory data; and (4) average amounts of SCS time required to perform a specific task. For example, for the element of erosion control; SCS has clear legislative authority to carry out erosion control activities on the nonfederal lands of the Nation; erosion control is the current number 1 national priority; 1977 erosion data on average annual rates is available by State by land use, and SCS time and progress reports indicate erosion control activities requires more SCS time than any other type of activity, thus the erosion element receives the most weight in the formula.

Question 4: What are recipients of the base program actually losing as a result of the redirected program?

Answer 4: In total, the 1985 Budget at only $10 million or less than 2 percent below the NCP program projection reflects the high priority which the Administration assigns to these discretionary nondefense activities which as a group are slated for substantial reductions.

We believe that much can be achieved by increasing the effectiveness of our existing programs without the investment of large increases in Federal funding. By expanding the targeting program for accelerating technical assistance in critical problem areas, we expect to increase our current rate of accomplishments in terms of tons of soil erosion prevented even though the overall funding level is declining slightly. We are continuing to emphasize the more cost-effective conservation practices such as conservation-tillage which help to protect the resources and also provide a quicker return to the operator. The Department also is working to improve the effectiveness of cost-sharing programs through such actions as testing the use of variable cost-share levels for erosion control practices according to the severity of the erosion and amount of soil saved, and collecting and analyzing data on the cost-effectiveness of a conservation practice on a particular site. These are all actions we are taking which enable us to do a better job even during this period of time when Federal expenditures must be constrained for the economic well-being of the Nation.

STATEMENT OF NORMAN A. BERG, WASHINGTON REPRESENTATIVE
THE SOIL CONSERVATION SOCIETY OF AMERICA

Mr. Chairman, the Soil Conservation Society of America (SCSA) appreciates your invitation to present a brief statement at this important hearing. The committee's annual review of USDA's conservation programs, including budget proposals, progress in implementing their National Conservation Program and conservation related research affords SCSA another opportunity to restate the Society's views of the soil, water and related conservation problems of the U.S.A.

We too are concerned about the rate of progress toward their solution. The optimistic statements from USDA that PIK saved about 120 million tons of soil (about one-half of what was predicted last March), that the targetting program has gone well, dramatically reducing erosion, that we have a better conservation program today than we had yesterday and that we will have a better program tomorrow than we have today even though the Administrations proposed spending would drop to about $725 million next fiscal year from the current $973 million, deserves your attention.

Last year, federal deficit of about $200 billion and current forecasts that in all of American history there never has been a deficit of the current and prospective magnitude, whether measured in dollars or in percentage of the national economy, is a matter of concern to many, including the 13,000 members of SCSA.

However, as professional conservationists, we are equally concerned by the continued "deficit spending" of our soil, our water, our related natural resources here and abroad.

We were pleased to be in Denver when you were honored by the Conservation Districts for Distinguished Service in conservation. You cautioned that "today it is difficult to determine much progress in terms of government policy and erosion control -- the gap between what our national conservation programs achieve -- and the magnitude of the problem -- is extremely wide, and it is growing wider." The 1977 National Resources Inventory (NRI) shows that sheet, rill and wind erosion exceeded 5 tons per acre on 32 percent of the Nation's cropland. Among the ten USDA regions, the Corn Belt led the nation with about one-fourth of the total cropland erosion. Erosion per acre exceeded the national average in four of the ten.

We have been patiently waiting for release of the 1982 NRI data. In the meantime, PIK's spotty conservation performance in 1983 brought stinging criticism from the environmental and wildlife groups it sought to court. We now know that PIK was no bargain for conservation. Some tabbed the program as "a joke".

In 1980, Dr. Anson R. Bertrand, a most respected senior official and chief scientist in USDA said, "the economic pressure -- to generate export earnings, to strengthen the balance of payments, and thus the dollar -- has been transmitted more or less directly to our natural resource base. As a result, soil erosion today can be described as epidemic in proportion".

Dr. Lester R. Brown in his "State of the World - 1984" says, "In efforts to conserve soil, the world is faring poorly. His-

torically, soil erosion was a local problem. Individual civilizations whose food systems were undermined in earlier times declined in isolation. But in the integrated global economy of the late twentieth century, food - like oil - is a global commodity. The excessive loss of topsoil anywhere ultimately affects food prices every where."

However, the 132 pages of the recent Kissinger Commission report contain not one single reference to natural resource deterioration. There is not one single measure or recommendation for restoration of that regions natural resource base that is as degraded as any in the world. We do not yet widely accept that, "the Nation that destroys its soil, destroys itself." as President Roosevelt wrote 50 years ago.

Sadly, policy, including farm policy has become a hurried reaction to an endless series of dramatic events. The inevitable result is that soil and water conservation concerns get lost in the frantic search for a "quick fix".

My experience, over two decades of observing the Executive Branch proposals for USDA conservation budgets, is that these activities are postponable. They represent discretionary spending and can be controlled. The FY 1985 proposals are again below the "low bound" level of $735 million. We are told that conservation is a high priority for the Administration and is one of the major concerns of the Secretary of Agriculture -- that, the FY 1985 proposed reductions will provide a more effective conservation program, dollar for dollar, than the 1984 program funded at nearly $1 billion.

Perhaps, because the Executive Branch "proposes" and the Congress "disposes" -- and in the past has largely restored conservation programs to a more reasonable level of funding, the Administration has not had to face the harsh realities of implementing their proposed reductions.

How would they deal, in the real world, if left finally with program reductions in FY 1985 of $130 million for the Soil Conservation Service, of $125 million for the popular Agricultural Conservation and related programs of ASCS such as the Water Bank and Forestry Incentives? What would be the realities of suddenly discontinuing the Resource Conservation and Development Program, of no new committments for watershed planning and river basin surveys and investigations, of significant reductions for watershed construction, of no new construction starts, of a $35 million reduction for state and private forestry and staff year reductions of over 1,000?

We are told that the principal budget cuts are in programs where reductions can be made without destroying the basic program delivery system and where programs can be revived when the fiscal situation improves.

Meanwhile, as we wait, as we have for too long already, for that promised better day when fiscal restraint may no longer be the reason for postponing investments in soil and water conservation what do we know about the degradation of our soil and water? What is happening that could seriously damage future agricultural productivity?

Your commendable action, late in 1983, on the "sodbuster" legislation, which is aimed at farmers and speculators who in recent years have plowed up tens of thousands of acres of potentially highly erosive grasslands to qualify for federal farm support aid is not yet law and will have no impact on 1984 plans by land users. Hopefully, early enactment will influence decisions in 1985.

We know the fragile lands already qualified for farm programs total millions of acres.

A former Secretary of Agriculture, testifying a week ago before the House Agriculture Committee said, "A main feature of a new farm bill should be a plan under which farmers can get federal payments to idle environmentally fragile land under a long-term arrangement." We are pleased to see this support growing for these ideas we talked about early. The latest estimates predict that U.S. farmers will plant more of most crops this year, with the biggest increase in corn -- 21.6 million acres than in 1983. The top five crops:

Crop	1984 Acreage	% change from 1983
Wheat	82.6 million	+ 7.4
Corn	81.8 million	+ 36.0
Soybeans	65.2 million	+ 2.7
Sorghum	14.8 million	+ 25.4
Cotton	10.8 million	+ 35.6

Many of these cropland acres lack adequate carry over residue, because of last years drought or inadequate conservation follow up treatment under PIK, to permit acceptable conservation tillage for soil erosion control. The long-term conversion of highly erodible lands to more conserving uses such as pasture, hay, range, forest or wildlife habitat should have been tested in 1984 - with a pilot program - as you and others recommended. We are apparently, and unfortunately, at least two crop years away from implementing a conservation reserve.

The January-February 1984 Journal of Soil and Water Conservation - Volume 39, Number 1 - examines several features needed to improve soil conservation programs. I will leave a copy for your files. It is good reading.

Volume 1, Number 1, in July 1946 of SCSA's Journal had an article "A National Program of Soil Conservation" by the first chief of SCS - Hugh H. Bennett.

In that first edition he said, "From the beginning, one cardinal principle dominated and guided this new land program for a permanent and more fruitful agriculture.

This principle was at the outset and is today as follows:

"Effective prevention and control of soil erosion and adequate conservation of rainfall in a field, on a farm or ranch, over a watershed, or any other parcel of land, requires the use and treatment

of all various kinds of land comprising such areas in accordance with the individual needs and adaptabilities (or capabilities) of each different piece of land".

He went on to point out that, "the use and treatment of a given area of land must, of course, be determined not only by its physical characteristics, but also, wherever possible, by such other considerations as available facilities -- implements, power, labor and market facilities -- as well as by the preference of the farmer, his ability to learn, his willingness to try new methods, his financial means, size of his farm and location, type of farming he wants, and his persistence". We are reminded that nearly four decades have now become history. That cardinal principle is still important to conservation. SCSA appreciates this opportunity to testify.

We'll be available to help your Committee in any way we can.

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STATEMENT OF CLARENCE DURBAN, VICE PRESIDENT
NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

Mr. Chairman. Members of the Committee.

It is a pleasure for me to be here today to represent the views of the conservation districts of America on the current trends in the national soil conservation program. Several of those trends are of deep concern to our districts, and I will use my time to dwell on those issues. I would not want that to be interpreted, Mr. Chairman, as a sense that NACD or the conservation districts feel that the national program is all wrong. Far from it. There are many good things happening in soil conservation today, and our districts, in general, are optimistic in their work. But we view this as an opportunity to tell you what we think needs fixing in the program, so we will not spend any time talking about the things that are not broken.

Conservation district officials are very concerned about the loss of balance in the national conservation program. They feel very strongly that the Nation needs to retain a commitment to a basic soil conservation program of research, education, technical assistance, and cost-sharing that can aid the land users of the Nation in meeting the challenges they face in properly using and caring for their land and water.

These programs, like all domestic programs, are having a difficult time these days, as budget cuts, personnel ceilings, and inflation all work to reduce their effectiveness. In its attempts to target conservation programs to areas where soil erosion on cropland is most important in terms of its effects on long term productivity, USDA has made many of their efforts more cost-effective in terms of erosion control. In many regions, this targeting has shown significant gains in predicted soil erosion levels.

But these benefits have not been without a price. In two-thirds of the nation's conservation districts, USDA's targeting effort has resulted in a loss of program capability. Particularly in those districts where other kinds of resource problems are the primary concern, serious program losses have resulted as the normal reductions have been amplified by removal of people and dollars to be sent to the "target" areas. As a result, many conservation districts tell us that important programs of conservation in urbanizing regions; soil erosion on pasture, range and woodland; water quality; and special situations are simply falling apart. This is a concern. In concentrating so hard to hit one priority target, USDA is leaving too many targets unattended.

The history of our national soil conservation effort has been one of strong federal support, administered in a cooperative network that includes local and state agencies as well as private citizens. As we see the balance

in that program threatened, we feel that many state and local units will feel "betrayed" by the federal government, and begin to "target" their own efforts away from the federally-determined priorities as a means of restoring balance. The risk is that, instead of a cooperative effort, we begin to foster competitive efforts, and we feel that would be terribly damaging to both the effectiveness and the cost of these programs. We urge you to do what you can to encourage USDA to carry out its targeting in a way that does not destroy the essential balance in the overall conservation effort.

Funding for federal programs is always a difficult question in these days of tight budgets. We are strongly in favor of holding down federal spending and deficits, but at the same time, we are aware that there are dollars that must be spent, as an investment in our Nation's productivity. We are, therefore, concerned when national priorities are so concerned with the short-term and the politically expedient that these longer term natural resource programs are cast aside.

Our Council has recently taken positions on the funding of the natural resource programs in Fiscal Year 1985, and we have attached that set of recommendations to our testimony. We urge you to review them, and support them.

Finally, Mr. Chairman, we feel strongly that there is a need to change the fundamental relationships between the soil and water conservation program and the federal farm programs. It will not be easy, but we are convinced that all federal farm programs must encourage, rather than discourage, farmers and ranchers to carry out voluntary soil conservation work on their land. We have established a significant body of policy on this question within NACD, and a collection of those policies is attached to our testimony for the consideration of this committee.

We appreciate the opportunity to appear before you today, and would be pleased to answer any questions.

STATEMENT OF KENNETH A. COOK, AGRICULTURAL POLICY ANALYST

Mr. Chairman, distinguished Members of the Committee. I am honored by this opportunity to testify before you today. Allow me to begin by designating various organizations for whom I work in some capacity, and whose views I do not represent here today. I do not appear on behalf of the Soil Conservation Society of America, to whom I regularly contribute commentaries on policy matters for the Journal of Soil and Water Conservation. Nor do I represent the American Farmland Trust, for whom I have recently completed a report on soil erosion and conservation policy. Finally, my testimony and remarks here today do not reflect the views of the U.S. Office of Technology Assessment (OTA), where I am a part-time, temporary employee--though not too temporary, I hope.

I am here to offer my personal views on the conservation budget and related issues, from the perspective of someone who has done some writing and analysis on the subjects.

Each year at this time we receive the President's budget for USDA's conservation programs.

Each year, regardless of the party in the White House, the President proposes budget cuts for some of these programs.

And each year we hear an uproar about the disastrous effects those budget cuts supposedly will have on America's land and water resources. In fact, in writing about soil and water conservation policy over the past five years, I have observed that the conservation program budgets attract more attention in the Congress than any other conservation issue.

That's unfortunate, because the amount of the program budgets is ~~are~~ by no means the most important issue we face in soil and water conservation policy today. I would even go so far as to say that the annual theatrics over the President's proposal divert attention from the crucial problems this country faces in agricultural resource conservation.

The budget debate always gets reduced to this: are we spending enough?

But at this point in the history of American conservation policy, that question only hides much more important ones:

For example:

--How much conservation are American taxpayers buying for one billion dollars-worth of Federal expenditures each year?
--Why are we so very far from achieving even modest national conservation goals after 50 years of government programs that have cost over $20 billion (unadjusted for inflation).
--How would the national conservation effort actually be affected by the proposed cuts? Or by substantial increases in the budgets for the traditional programs?
--What new approaches to soil and water conservation policy are justifiable and workable?
--Why does American agriculture get by with causing serious damage to invaluable natural resources, and to the environment, when other, much smaller U.S. industries do not? Put another way, why do we regulate the environmental affairs of steel plants, but not farms?

These are questions we should be asking here today. These are questions the Department of Agriculture should have answered in the Resource Conservation Act process. As a matter of fact, these are some

of the questions that should have been answered by USDA in the last major Congressional oversight investigation of the Department's conservation programs, which was conducted by this Committee eight years ago.

Instead, we find ourselves once again watching a rather light opera. The conservation programs have been trussed up and laid across the tracks, like the innocent young damsels they most decidedly are not. A dark villain, in OMB garb, stage right, snidely twirls his moustache. And now the train hurtles out of the background! Oh! Will the maidens be saved, the audience gasps? They will! More or less, by the hero of Congressional appropriations, who will once again snatch the damsels away in the nick of time--roughly late July. And the audience will be so pleased to see the familiar drama replayed to its triumphant end they will hardly notice that train roaring off the stage into their midst.

There are some genuine tragedies beneath the familiar plot line, however.

The perpetually "inadequate" conservation budgets have provided an excuse for the Congress and for conservationists to avoid the issue of whether these programs are ever going to do the job, at any price.

And regardless of the funding levels, the conservation programs themselves provide an excuse for the Department, the Congress, and the farm community to pigeonhole very tough conservation problems away from the mainstream of farm policies and programs.

Let me give you a concrete illustration of the kind of problem this tableaux of the budget conceals.

A great flap has arisen over the fact that the Department and OMB have proposed a budget below the so-called "low bound" level described in the National Conservation Program. The administration counters the criticism with upbeat reports about the accomplishments of targeting. These reports are parried by ominous charges that the targeting effort is cannibalizing conservation activities outside the target areas. The Department boldly thrusts back by designating most of the continental United States as target areas. I have heard rumors--unfounded, I am sure--that several Canadian provinces may also be designated, out of rather shamelessly political considerations.

Let us take another view of the matter, by looking at the details of soil erosion control to be achieved by targeting. As in most things, the details are the only things that are truly interesting, that really matter.

According to SCS, by 1985 the targeting program for erosion control will embrace 745 counties and 128 million acres of land--equal to about 38 percent of the land used for row crops and small grains in 1977. SCS projects that erosion in targeted areas will be reduced by 78 million tons by 1985 as a result of the targeting of SCS Conservation Technical Assistance (CTA)--the spine of the agency.

That seems like alot of soil conservation; and in absolute terms, of course, it is. Please excuse me if I refrain from reporting the length of the train that would be required to haul this much soil somewhere.

But the Department never seems to get around to telling us what proportion of the problem is being solved. Let us guess ourselves.

SCS analysts estimate that total erosion on cropland in the areas targeted for FY 1985 will equal 742 million tons. (I might mention that these analysts are highly competent and dedicated, and, like all good

analysts, they hate to guess but often have to.) The magnitudes of the problem and the projected accomplishments are illustrated in the chart accompanying my testimony.

That means that a program covering 60 percent of the land eroding above the tolerance, using about 39 percent of the total technical assistance staff time will reduce soil erosion in targeted areas by only about 11 percent.

I believe this probably overstates what targeted technical assistance will achieve. The actual accomplishments will be even less.

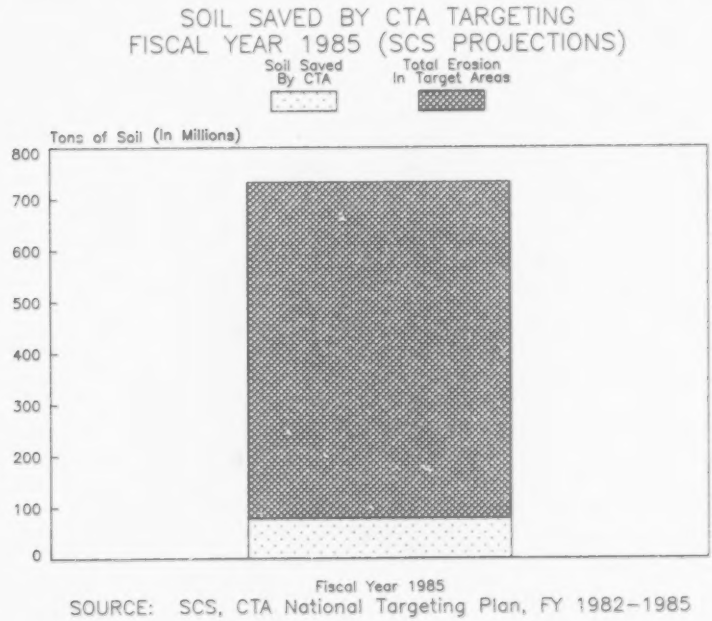
This line of thought raises a great many questions, a few of which are:

--How much of the problem will be solved before targeting moves on to other areas or is discontinued altogether, as USDA seems to contemplate?

--How much of the technical assistance is being devoted to land that does not have a serious erosion problem? (I will guess: half of it).

--To what extent will technical assistance reach critically eroding lands? Is it the right tool for the job?

[The remainder of my prepared statement will be submitted to the Committee at a later date.]



SOURCE: SCS, CTA National Targeting Plan, FY 1982-1985

Statement of Maitland Sharpe, Conservation Director
Izaak Walton League of America,

My name is Maitland Sharpe. I am the Conservation Director for the Izaak Walton League of America. The League is a national organization of 48,000 members dedicated to the conservation and wise use of this nation's natural resources.

I appreciate your invitation to be here today to present our perspective on the agricultural conservation programs of the Department of Agriculture. In the interest of time, I will confine myself to five concerns: set-aside programs, conservation reserves, the fiscal 1985 budget proposal, the place of wildlife and water quality within the Department's agricultural conservation programs, and the issue of cross compliance.

Set-Aside Programs

Agricultural set-aside programs hold an immense potential to conserve fragile soils, create new wildlife habitat and improve water quality, if the lands are maintained in conservation cover plantings. The acreage held out of production each year is large, by any standard, and much is located in areas where changing agricultural practices, such as clean farming and a shift from small grains to row crops, have most seriously damaged soils, wildlife populations, and water quality.

Set-aside lands are supposed to be managed to prevent unacceptable levels of wind and rain erosion. But an extensive field study of the program some years ago found that approximately 75 percent of the set-aside acreage suffered from unacceptable wind and rain erosion for 9-12 months of the year, and that two-thirds of the lands offered poor cover for wildlife. Surveys of the 1983 program have not been much more encouraging.

The League believes the authority for agricultural set-aside programs should be restructured to ensure that federal expenditures to reduce farm surpluses will also yield valuable public benefits in the form of reduced soil erosion, enhanced wildlife habitat, and improved water quality. The program should specifically provide for:

- A system of multi-year set-aside contracts, to facilitate planting and maintenance of permanent conservation cover;

- Stronger standards for seeding and maintaining vegetative cover;

- Sharp restrictions on the practice of summer fallowing;

- Improved enforcement of conservation cover requirements;

- Expanded incentives for establishing permanent conservation cover, wildlife plantings, or filter strips along streams;

- Greater flexibility in deadlines for clipping small grain cover crops, to increase wildife benefits;

- Removing federal disincentive to voluntary conservation

set-asides, by permitting such lands to be included in calculations of base acreage;

- Closer coordination with state conservation and fish and wildlife agencies

Conservation Reserves

The major impediment to achieving the conservation potential of the set-aside programs has been the lack of multi-year contracts that require establishment of permanent conservation plantings. In the past, set-asides have been announced and carried out as single-year programs. As a result, farmers have had little incentive to invest in permanent cover, and the USDA has been reluctant to establish and enforce strict cover requirements.

Secretary Block has recently addressed this problem by announcing a 1984 pilot conservation reserve program to encourage farmers to establish long-term vegetative cover on highly erodible set-aside lands. Under the new program, $20 million of Agricultural Conservation Program funds will be allocated to pay 90 percent of the costs of establishing permanent vegetative cover. In addition, the lands in the reserve will be counted as base acreage for any future set-aside program, through 1985.

We strongly support this pilot program and commend Secretary Block for his iniative. We believe that a system of multi-year set-asides or conservation reserves is needed to achieve the potential conservation benefits from public investments in agricultural set-asides. We hope the pilot program succeeds. But we are concerned that it may not.

The program is designed as a test, to evaluate the willingness of farmers to make a long-term commitment to retire highly erodible cropland." If the program passes the test, we can expect a recommendation for authorization of an expanded version in the 1985 Farm Act. If it fails, however, the result may be a retreat from the concept of a conservation reserve.

We are concerned that the pilot program may not provide a valid test. Because authorization for set-asides expires in 1985, the farmer entering the reserve program faces great uncertainty. He has no guarantee that the program will be reauthorized, nor that there will be set-asides in most future years, nor that his lands will be included. If such uncertainties limit demand for the program in 1984, the results should not be misread. It will not demonstrate that farmers are unwilling to make long-term set-asides, but simply that the incentives were too weak and the risks too great.

We are also concerned that the proposed reduction in the ASCS soil and water practices account from $190 million in FY 1984 to $70 million in FY 1985 may restrict the ability of ASCS to meet its cost-sharing commitments under the pilot program and further limit the success of the conservation reserve effort.

With this in mind, we would urge the Congress to (1) ensure that there is adequate funding to underwrite the current pilot program; (2) authorize an expanded, nationwide conservation reserve as part of the 1985 Farm Act or as separate legislation this year;

and (3) strengthen the incentives offered the landowner by authorizing true, multi-year set-aside contracts on perhaps 20-35 percent of the base acreage for each commodity and by guaranteeing that additional acreage in conservation reserves is placed at the head of the list for annual set-aside programs above that level.

Fiscal 1985 Budget Proposal

The President's budget for fiscal 1965 requests only $725 million for the soil and water conservation programs of the USDA. The request is $248 million or 25 percent below the $973 million appropriated for FY 1984; it is $10 million below the low bound of RCA. We do not believe the proposed budget is adequate to carry out a balanced soil and water conservation program, or to meet the goals established under RCA.

Within the contraints of this inadequate total, the Department has done a responsible, workmanlike job of allocating what funding remains. They have chosen to allocate most of the cuts to the small watershed programs, while maintaining the basic erosion control program (conservation technical assistance) at something close to its current level. We concur in that choice. Watershed programs can be turned on and off with little damage, while technical assistance programs can not.

However, there are several features of the budget that are deeply troubling. First, the funding for Water Bank Practices is proposed to drop from $8.8 million in fiscal 1984 to only $3 million in 1985. It is our understanding that the proposed level would mean that many existing contracts could not be renewed. We believe this is a shortsighted economy. Like soil, wetlands are an extremely valuable natural resource-- one that is difficult and expensive to replace. This nation is losing over 500,000 acres of wetlands each year. The Congress is now considering legislation to increase spending for wetland protection by $75 million per year. Wetland protection is an urgent national priority, on a par with erosion control. Funding for Water Bank Practices should be restored to at least the $10 million level so that existing contracts can be renewed, and serious consideration should be given to expanding the program.

Second, we are somewhat uncertain as to how funds earmarked for the various practices would be handled within a consolidated Agricultural Conservation Program (ACP). Would water bank monies still be dedicated to that purpose? Or would they be merged with other funds, lose their identity, and be diverted to other uses at the discretion of state and local committees? Some explanation on this point seems to be in order.

Third, we are particularly concerned about the shrinkage in the base program for conservation technical assistance under the proposed budget. The budget would cut technical assistance by 2 percent in all districts and by an average of about 10 percent in two-thirds of the districts. This appears to us to be in the nature of a false economy-- one that will effect modest, short-term savings while ensuring larger, long-term losses.

We do not oppose targeting additional funds on the areas of greatest need. But we do not believe that targeting should be an

excuse to prune back the already inadequate base program. There is a need for both. We would urge the Congress to restore the funding for the base program and to appropriate the additional funds needed for targeting on areas of high soil loss. Anything less will not, in our judgement, accomplish the goals of the RCA Program nor provide for prudent stewardship of our soil and water resources nationwide.

The Question of Balance

The RCA Program, delivered to Congress a year ago, emphasises the maintainence of agricultural productivity-- an emphasis that is further sharpened in the proposed budget for FY 1985. There is no question that maintaining the productivity of croplands is essential to the nation's well being. But there are other resources and resource values that are important as well-- rangelands, fish and wildife, water quality, wetlands, and private woodlands. We believe that the Department of Agriculture should incorporate these values into both its commodity and conservation programs. In particular, the Department's conservation programs should provide for balanced investment in these non-crop conservation needs. However, the budget proposed for 1985 fails to provide such balance.

The budget focuses on controlling soil erosion from cropland and reducing upstream flooding-- both directly related to agricultural productivity. Funding for wetlands protection, through the Water Bank Program, and for the Forestry Incentives Program would be cut by about two-thirds. In the programs of SCS, resources would be systematically shifted from water quality and fish and wildlife concerns to erosion control, salinity damage, water conservation, and upstream flood control. We believe the result is a program seriously out of step with the nation's total needs and opportunities for resource conservation.

For example, the RCA report identified five major resource problems: soil erosion, flood damages to cropland, water conservation, water quality, and related resources-- including loss of wildlife habitat, downstream effects of polluted surface runoff, and loss of wetlands. The first three of these problems are directly addressed through the proposed budget; however, the latter two are not. We believe the Congress should restore the funding needed to permit the Department to address all five of the identified resource problems in a balanced program, responsive to RCA.

A simple, but significant, step towards that end would be to use water quality as an explicit criterion for making targeting decisions. Non-point runoff accounts for over 50 percent of water pollution nationwide, and the problem is particularly severe in certain areas. Areas where non-point pollution appears to be a limiting factor on water quality should be targeted by SCS, along with areas of high soil loss, salinity, and cropland flooding. The Chesapeake Bay is a case in point. The decline of the Bay has been identified as a problem of national significance attributed, in large measure, to nitrate loadings from agricultural runoff. Scores of millions of dollars of state and federal money will be spent on the Bay over the next few years. But few of the watersheds feeding the Bay have been targeted by SCS for intensive efforts to control erosion and prevent the transport of nutrient-laden sediments into Bay waters.

Cross Compliance

Finally, I would like to touch on the issue of cross compliance. The League is convinced that the time has come to link minimum soil and water conservation standards to eligiblity for federal agricultural assistance programs. Such a linkage would greatly increase the total social efficiency of the agricultural assistance and would ensure that the massive public investments in assistance programs are also providing public conservation benefits.

Last summer, the delegates to the League's national convention adopted a comprehensive resolution calling the integration of federal agricultural support programs with soil and water conservation goals. (A copy of that resolution is attached.) We would like to urge the Congress to include such a provision in the 1985 Farm Act.

Thank you.

SOIL EROSION AND WATER QUALITY

Billions of tons of top soil are washing from America's fields and agricultural lands into the nation's waterways every year. This soil erosion decreases potential yields and degrades water quality by reducing dissolved oxygen levels, and increasing loadings of phosphorus, nitrates, herbicides and pesticides.

Despite progress in controlling industrial and municipal water pollution, nonpoint pollution from agricultural sources has continued unabated. In addition, approximately 400,000 acres of valuable wetlands are drained or filled for agricultural purposes each year. Soil conservation techniques are available to reduce polluted runoff.

It is estimated that agricultural price supports paid to farmers by the government in 1983 will equal the total net farm income of approximately $21 billion. In many cases, these federal agricultural programs actually promote unsound land development, include wetlands drainage and filling, encourage overproduction, require no effective conservation measures, and penalize conservation farming.

The Izaak Walton League of America, assembled in convention in Harrisburg, Pennsylvania, July 13-15, 1983, supports the policy established in the 1981 Farm Act, which states: "Congress hereby reaffirms its policy to promote soil and water conservation, improve the quality of the nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs."

The League urges the Congress to integrate federal agricultural support programs with soil and water conservation programs to achieve the goals of this policy. The League finds that legislation to that end should include:

(1) Cross compliance provisions to make cultivation of erosion-prone land ineligible for any federal agricultural support payments unless the land has an active, certified conservation plan with the local Soil and Water Conservation District;

(2) Increased funding for installation of on-site soil and water conservation techniques and certification of compliance through Soil and Water Districts;

(3) Provisions for similar cross compliance requirements to protect environmentally and water quality sensitive wetlands;

(4) Guarantees that acreage voluntarily removed from crop production under a certified conservation plan will be added into a farmer's cropland base for future set-aside programs;

(5) Regulatory mechanisms to control sediment, phosphorus, nitrate, herbicide, and pesticide loading of the nation's waters from agricultural lands through the Clean Water Act and other laws;

(6) A timetable for implementation of the above provisions;

(7) New tax incentives for installation of certified soil and water conservation measures.

(The following resolutions supplied by Alan Wents, director, fisheries and wildlife, National Wildlife Federation, were passed at the Federation's annual meeting. See the oral presentation of Mr. Wentz for reference.)

Resolution No. 1

MAJOR CONSERVATION ISSUES, 1984

Concerned that scientific management of natural resources is being relegated to an importance secondary to production and development during a critical time of economic stress, unemployment, increasing energy development, and international crises, the National Wildlife Federation calls for conservationists throughout the country to remain vigilant, vigorous, and dedicated in united efforts to protect the environment.

An association of independent state organizations and their affiliated local groups and individuals, the National Wildlife Federation believes that an alert and fully-informed public will demand sound management of natural resources. Therefore, this organization is convinced that conservation practices must be taught as an integral part of public education, emphasizing the science of ecology, wise use management of natural resources, and the interrelationship of resource usage. The Federation also believes that all citizens should participate in the governmental processes which help determine resource policies.

The National Wildlife Federation believes it is essential that suitable regulations be vigorously enforced to protect the environment, and that adequate federal funds be appropriated to implement our environmental laws. This organization is firm in its conviction that pollution abatement creates job opportunities, rather than reducing them, and is a legitimate expense of "doing business." Further natural resource conservation programs merit adequate Federal funding.

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation invites the attention of all Americans to what it considers the major issues of 1984:

Wetlands: Wetlands are one of the nation's most important natural resources. Wetlands provide habitat for many species of fish and wildlife and they provide numerous ecosystem functions, such as cleansing of water and flood control, that directly benefit man. Wetlands are being destroyed, primarily through agricultural activities, at a rapid pace. The National Wildlife Federation believes it is critical that the Congress maintain and strengthen regulatory protection for wetlands, develop new funding sources for state and federal acquisition of wetlands, remove governmental incentives to destroy wetlands, and provide strong incentives to private landowners to maintain and enhance wetlands.

Conservation Budgets: Over the last several years conservation budgets within Federal agencies have been reduced, development-oriented budgets have increased and some appropriated funds have not been spent in a timely fashion. Cuts and proposed cuts have been especially severe in land acquisition, fish and wildlife research, endangered species, state-oriented programs, environmental monitoring, fisheries management, fish hatcheries, range resource management, state and private forestry, fish and wildlife management on federal lands, energy conservation, and the Environmental Protection Agency. Maintaining adequate funding to properly manage the nation's natural resources is a high priority of the National Wildlife Federation. Federal purchase of land for National Wildlife Refuges, National Parks, and wetland conservation tracts must be continued. We believe that proper funding for natural resources programs

and continuing research is an investment in the future that should not be foregone.

Fish and Wildlife Habitat: Fish and wildlife habitats of all types continue to be lost or degraded by a wide variety of factors. No single category of impact on natural resources is more damaging or more widespread than the worldwide loss of habitat. The loss of habitat is a direct result of human population increase, government programs, and poor planning of economic development. Habitat degradation is a result of faulty environmental regulations, chemical contamination, man-induced changes in species composition, and a wide variety of other factors. The majority of our endangered species problems are due to the loss of habitat quantity and quality. The National Wildlife Federation believes that much habitat loss and degradation could be prevented or mitigated through proper economic development planning, greater consideration for natural resource values in all government programs, and development and enforcement of appropriate regulations. All levels of government, both in the U.S. and the rest of the world, have a responsibility to protect and enhance the extensive economic and social benefits provided now and in the future by a healthy environment that includes a wide diversity of habitats.

Topsoil Loss: The loss of topsoil to wind and water erosion is considered by many to be the most serious resource problem in the U.S. The nation's croplands suffer an average annual erosion rate of at least seven tons per acre and in some cases as much as 40 tons. About one-half of the nation's topsoil has already been lost. The loss of soil and productivity affects all citizens, so it must be considered a problem for all segments of society. Encroachment of urban growth into prime farmland, government programs that encourage the drainage of wetlands through financial incentives, ill-advised irrigation projects, and agricultural subsidies that encourage the use of marginal lands for crop production all contribute to topsoil loss. The National Wildlife Federation believes that the Federal government must take affirmative steps to correct these problems by: 1) eliminating government subsidies that result in increased erosion, 2) linking agricultural commodity programs with conservation objectives, 3) increasing technical assistance to farmers and other landowners to install erosion control practices, 4) educating all people to the need of soil conservation, 5) directing Federal cost sharing for conservation measures, primarily toward the more highly erosive soils, and 6) eventually developing programs of mandatory controls over topsoil loss for areas where other measures are inadequate. Where public funds are used to help control soil erosion every effort should be made to improve wildlife habitat quality or at least hold wildlife habitat losses to a bare minimum.

Water Resources Development Policy: Much of what is wrought by the government's dam and waterway building agencies -- the Army Corps of Engineers and the Bureau of Reclamation, for example -- degrades water, disturbs habitat, and wastes resources. The National Wildlife Federation supports water resources development plans that have been fully evaluated and are shown to be economically and environmentally sound. During the planning process, opportunities should be sought for net enhancement of environmental values as a co-equal, not a subordinate, objective of Federal water resources management and development. The large subsidies inherent in Federal water resources projects in the past have served to distort choices among competing demands for water. We support more efficient use of water as a cost effective and environmentally sound alternative to new development. The Federation favors the sharing of costs of Federal water projects by states and beneficiaries. The allocation of both fiscal and natural resources is enhanced when beneficiaries pay in accordance with the costs they impose and the benefits they receive.

International: Just as in the domestic arena, scientific management of natural resources is the underpinning of sound economic development

around the world. This fundamental premise should not be superceded or ignored due to other world crises. Some of the very international crises that might overshadow natural resource issues are in fact generated by the failure to promote conservation and wise use of natural resources as an important international concern. For example, El Salvador is one of the most crowded and deforested countries in the world. Haiti has lost a significant portion of its agricultural base due to devastating deforestation and erosion. And we are likely to see more and more desperate economic refugees trying to reach our shores as these problems get worse, especially if human population continues to rise at present rates. Thus, the Federation believes that the problems of resources, environment and population must be addressed in the developing countries to alleviate the problems there. Development assistance in the Third World must be shaped to take account of natural resources conservation, and to emphasize appropriate technology, family planning, and ecological sustainability.

Public Lands: The Federal government owns and manages over 700 million acres of public lands, containing vital wildlife habitat and recreation facilities, as well as extensive reserves of timber, minerals, and energy resources. Despite legislative mandates to the contrary, the U.S. Forest Service and the Department of the Interior are currently operating under policies biased toward commodity production and the transfer of public resources to private ownership. Grazing fees are unrealistically low, regulatory responsibility over public lands is being delegated to land permittees, large areas of Federal land have been proposed for sale, public water rights are recklessly being relinquished to the private sector, and Federal energy and mineral resources are being leased or exchanged at less than their fair market value. These policies have too often resulted in overgrazing of public rangeland, over-harvesting of timber, and commercial development that fails to consider wildlife and other environmental and recreational values. The impact of this trend toward increased private commercial use of public lands has been reduced opportunities for the public to enjoy hunting, fishing, and other outdoor activities on their lands. In addition, the public is increasingly being "locked out" of public lands by public and private action. The National Wildlife Federation urges government land management agencies to adopt more balanced multiple use policies for managing public lands -- policies which give increased emphasis to the conservation of non-commerical public values such as wildlife, soil, water, and recreation.

Energy: The Federation retains its strong commitment to a national energy policy that protects the environment, encourages the efficient use of resources, and promotes the development of clean, renewable energy sources. We are particularly concerned with the current reckless pace of Federal energy leasing programs. In a rush to privatize public energy resources, wildlife habitat, water, and other important resources have been needlessly placed in jeopardy, and fair market value has not always been obtained. These efforts should be conducted with care and prudence. The Administration should scale back its leasing programs to more reasonable levels -- levels keyed to national energy needs. The Administration should also increase its efforts to identify and avoid potential conflicts with wildlife and the environment. At the same time, the Federal government should increase its efforts toward controlling the adverse environmental impacts of energy production. In particular, the Interior Department should aggressively enforce the provisions of the Surface Mining Control and Reclamation Act of 1977. We also call upon the Administration to re-establish strong national energy programs to promote increased energy efficiency and renewable energy use.

Biological Consequences of Nuclear Conflict: Recent research has revealed that a full scale nuclear weapons exchange (5,000-10,000 megatons) would trigger not only devastating explosions, fires and radiation but equally or more damaging atmospheric and biological effects. The dust

and soot injected into the atmosphere would plunge the northern hemisphere, and much of the southern, into darkness and extreme cold for several months to a few years. Severity would depend on the time of year, but photosynthesis would be interrupted, crops destroyed, drinking water frozen, and most farm animals and wildlife would die of starvation or thirst. Marine life would be less affected by cold; but reduction of plants to sustain the food chain, combined with severe toxic contamination from fuel and other chemical tank ruptures, would drastically deplete near-shore fisheries. The period of cold and dark could be wide-spread in tropical areas in both the northern and southern hemispheres. Major reservoirs of genetic diversity, perhaps the majority of species on earth, would be threatened. Evidence also suggests that many of these effects could occur after much smaller nuclear exchanges over cities. It appears that such drastic destruction of human life and the earth's ecosystems would befall all nations.

The Federation urges the President of the United States to join with other world leaders to bring about verifiable treaties to totally eliminate nuclear weapons by the end of this decade.

Hazardous Wastes and Toxic Substances: Man-made toxic pollutants continue to enter and degrade the environment, both as the result of careless waste management practices of the past and present and as a by-product of the generation and use of pesticides and other chemicals. Accordingly, the National Wildlife Federation favors the reauthorization of a strong and effective Superfund law (at a greatly augmented funding level), as well as vigorous private and governmental efforts to clean up and remediate uncontrolled hazardous waste sites. We also support amendments to the Toxic Substances Control Act (TSCA) and the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to fill loopholes in the existing coverage of chemicals proposed to be introduced into the marketplace for the first time, and to compel the Environmental Protection Agency to more aggressively implement its existing TSCA and FIFRA authority.

Surface Water Contamination: Toxic chemicals continue to contaminate surface waters throughout the U.S. and the world. Recent examinations of bottom fish from w'dely separated U.S. and Canadian surface waters have revealed alarming incidences of cancerous tumors attributable to environmental contamination. Therefore, the National Wildlife Federation urges responsible governmental authorities to establish and implement adequate sediment and fish contamination standards, appropriate early-warning monitoring protocols and procedures, and suitable official mechanisms for alerting fishermen and other consumers of potentially hazardous fish products to address the fish contamination problem.

Acid Rain: The problem of acid rain remains unabated. The National Wildlife Federation deplores both the Administration's failure to support a responsible acid rain reduction program and the continued unwillingness of a few influential members of Congress to endorse such a program, despite the clear need for action recognized by both a large preponderance of acid rain scientists and by the vast majority of the American and Canadian public.

Resolution No. 9

CONTROLLING NONPOINT POLLUTION

WHEREAS, over half the pollution entering the nation's waterways comes from diffuse, nonpoint sources such as runoff from farms, city streets, construction sites and logging operations; and

WHEREAS, nonpoint sources of water pollution are contaminating drinking water supplies, accelerating the sedimentation of lakes, reservoirs, and harbors and destroying fish and wildlife habitat; and

WHEREAS, it costs the nation $3 billion annually to correct the problems caused by nonpoint pollution; and

WHEREAS, simple, cost-effective best management practices such as conservation tillage and strip cropping, hay bales around construction sites, and more frequent street sweeping, have been developed to reduce nonpoint pollution; and

WHEREAS, federal funding for state and territorial nonpoint pollution activities under the Clean Water Act has been eliminated; and

WHEREAS, the U.S. Environmental Protection Agency (EPA) has found that the lack of progress in cleaning up nonpoint pollution is due to the voluntary nature of the programs; and

WHEREAS, nonpoint source pollution remains the major uncontrolled source of water pollution and is unaddressed in the Clean Water Act;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 15-18, 1984, in Atlanta, Georgia, urges Congress to amend the Clean Water Act: 1) to require states and territories to develop and implement programs to control nonpoint pollution; 2) to set a reasonable deadline by which states and territories must achieve implementation of best management practices; 3) to establish an enforcement mechanism, such as citizen suits or EPA implementation of a plan if a state or territory fails to act, to ensure implementation of such a program; and 4) to establish federal incentives, including grants to states and territories to promote implementation of such programs.

Resolution No. 21

FEDERAL FARM PROGRAM:
PROVISIONS TO BENEFIT WILDLIFE

WHEREAS, the quality of wildlife habitat in areas devoted to intensive agriculture has been seriously depleted by land use decisions favoring food and fiber production; and

WHEREAS, such land use is accelerating soil erosion, reducing natural soil fertility, complicating efforts to improve the quality of public waters, depressing fish and wildlife populations; and

WHEREAS, the majority of U.S. citizens demand a healthy environment and would support use of their tax funds in bringing about a long-term ecologically balanced farm program which would be economically sound for farmers, protect the soil resource, improve water quality, provide visually pleasing landscapes and perpetuate fish and wildlife; and

WHEREAS, fish and wildlife habitat management practices serve dual roles of controlling soil erosion, promoting water conservation and generally enhancing environmental quality;

NOW, THEREFORE, BE IT RESOLVED that the National Wildlife Federation, in annual meeting assembled March 15-18, 1984, in Atlanta, Georgia, urges the President, the Secretary of Agriculture, and members of Congress to develop provisions in the 1985 Farm Bill to establish minimum criteria for soil and water protection including fish and wildlife habitat in the intensively farmed regions of the United States; and

BE IT FURTHER RESOLVED that the new farm bill include provisions that reduce agricultural overproduction through land retirement programs and provide strong incentives for landowners to better protect their land and soil resources. These incentives should include, but not be limited to:

1. Provisions for enforceable multiple-year set-aside agreements and/or land retirement programs, and that adequate funding be provided to establish cover on these set-aside and retired acres;
2. Levels of cost-sharing for approved soil and water conservation and wildlife habitat practices that will encourage landowner participation;
3. Reduced loan rates to landowners when their land meets minimum soil conservation and wildlife habitat criteria;
4. Reduction or elimination of crop support payments, commodity loans, and storage payments for crops produced on lands that fail to meet minimum soil conservation and wildlife habitat criteria; and

BE IT FURTHER RESOLVED that Congress establish Federal tax incentives and deductions that benefit landowners who meet minimum soil and water conservation measures, and penalize those landowners who convert non-crop areas, such as wetlands, forestlands, riparian areas, and grasslands to croplands.

STATEMENT OF MICHAEL E. STROTHER, WASHINGTON REPRESENTATIVE,

LAND IMPROVEMENT CONTRACTORS OF AMERICA

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear today and present the views of my association concerning soil and water conservation policy. Our 5,000 members are engaged primarily in providing conservation services for farmers and ranchers. I have condensed my presentation into the form of four general policy statements, and would be happy to elaborate on any of them as the Committee desires.

CONSERVATION POLICY POSITIONS
OF THE
LAND IMPROVEMENT CONTRACTORS OF AMERICA

I. THE ADMINISTRATION'S PROPOSED FY1985 BUDGET REQUESTS FOR CONSERVATION PROGRAMS

This organization cannot support the Administration's conservation budget proposals for FY1985 because they are inconsistent with the needs of our soil and water resource base. According to federal government studies, both soil erosion and water degradation in rural areas continue to worsen dramatically. Yet, in response to this situation, the Administration proposes to reduce drastically support for conservation. This position is indefensible when considering its impact on future food and water supplies for the country. A greater investment is needed, not a lesser one.

II. TARGETING OF CONSERVATION FUNDS AND MANPOWER RESOURCES

Our association issued early warnings several years ago about the possible negative results of "targeting". While it is possible to show progress in one area by concentrating funds and personnel on certain conservation problems, if overall resources are finite, this can only be accomplished by removing assistance from other areas. As always, someone must decide which area has a "more critical" problem than another and by what degree and kind. The situation may improve in one small area, but deteriorate over a much broader area. More than anything else, the technique of targeting, as it is being used in these budgetary times, is more a diversion to show conservation progress of very limited scope, and then using this as a thin justification to reduce overall funding for budgetary reasons. When viewed in this context, we believe it promises to do more harm than good for soil and water conservation nationwide until such time as greater financial resources are available for conservation.

III. REQUIRING WHOLE-FARM CONSERVATION PLANS FOR ELIGIBILITY FOR FEDERAL AGRICULTURAL ASSISTANCE

The evidence of soil erosion in America is abundant. One-third of our topsoil is eroding faster than nature can rebuild it. That means eventual depletion of the resource base. We support new legislation to require that a landowner or farmer maintain an active, certified whole-farm conservation plan in order to be eligible to receive federal agricultural assistance. In this way the landowner or farmer makes a commitment to protect the resource base for future generations. If we need justification for certified whole-farm conservation plans, we have only to look to the recent record of conservation under the P.I.K. Program. Many thousands of acres were idled without even minimum cover protection required by regulation. There was no incentive to the landowner, and no leadership by the government. A major opportunity for enduring conservation was lost.

IV. EARMARKING PORTIONS OF FEDERAL FARM ASSISTANCE FOR SOIL AND WATER CONSERVATION

Our organization strongly believes that to provide sufficient capital to meet the nation's conservation challenges adequately, new methods of funding must be developed. The most promising among many options, for budgetary reasons, appears to us to be a system of earmarking a portion of federal farm assistance for conservation. Under such a system, a landowner or farmer would receive the same amount of assistance he would normally be entitled to. However, some percentage of the total, say 5 to 10 %, would be used to develop an approved conservation plan. If the land is not in need of conservation treatment, then no earmarking would occur. Such a plan would produce the substantial amounts of capital necessary to address national conservation problems while not adding to Federal outlays. Federal aid is an investment by all U. S. taxpayers. The landowner should be more than willing to join in a partnership with them to protect soil and water resources on which much of the country's financial strength is based. Thus, by using a small portion of ongoing federal assistance, overall future productivity can be assured.

(The following material was supplied by Duane Sand, stewardship program consultant, Iowa Natural Heritage Foundation, and referred to in his oral presentation.)

COMMENTARY

The Missing Link in Farm Policy

by

Duane Sand

The stated purposes of United States agriculture policy is "to provide price and income protection to farmers and to assure consumers an abundance of food and fiber at reasonable prices."

Now, as the nation's leaders prepare for the 1985 Farm Bill, it appears that the Federal Government is no longer able or willing to continue with present levels of farm price and income protection. The government's need to reduce federal deficits, plus public opposition to idle cropland and payments to wealthy farmers, makes it unlikely that the next Agriculture and Food Act will actually protect farmers from overproduction.

This is no surprise, since farmers have, over the years, proven that their "ability to produce" frequently exceeds the government's "ability to protect" them from overproduction. The real danger is that agriculture leaders will demand a Farm Bill which provides a "false sense of security" by suggesting that existing programs can reverse future low prices. Unfortunately, current programs and priroities cannot attract adequate appropriations to match supply with demand.

The dilemma of agriculture is that low prices are slow to curtail production. Instead, low prices beget more overproduction as farmers push land and themselves to the limits in order to preserve a way of life. Without effective government intervention, this cycle wastefully forces land and people out of farming. While the public shares concern about such abuse of human and natural resources, there are limits as to how much tax money the public is willing to spend to solve such problems. Those limits decrease if the programs fail to contribute to a long-term abundance of reasonably priced food and fiber.

Unfortunately, soil and water conservation practices which are essential to assuring future abundance have seldom received more than token support in agriculture policy. Yet, national polls have found over ninety-percent (90%) of adults believe there is a need to increase soil and water conservation. If agriculture programs are to receive more than token public support, conservation must become a focal point of policy. A Conservation Land Reserve is the only program that has the potential to attract a high level of public support for reduced production.

Before exploring the Conservation Land Reserve concept, a review of the political situation which is the basis for prior statements is in order.

The rising national debt is considered by Congressional representatives to be the number one domestic political issue. Congress must, if only because of Presidential veto, limit federal expenditures on farm entitlements in 1985 legislation. The Administration estimates the deficits to be about $670 billion for the four-year period covered by the existing Agriculture Act. Even with economic recovery the national debt will continue to rise unless there are major changes in spending and tax policies. While agriculture programs are a minor portion of the federal budget, they will not be exempted fromactions to reduce the deficit.

The failure of political leaders to substantially reduce the federal deficit in 1984 will delay major action until 1985, a time concurrent with debate of the Farm Bill. Congress' urgent need to limit spending will probably overrule the seniority and committee systems which have long protected farm programs. Even rural leaders who want to protect farm entitlements will be confronted by prospects of rising interest rates and traditional rural support for fiscal responsibility.

Besides the need to reduce spending, there are other problems which undermine public support for current farm programs. For example, production control programs have long been unpopular, and over the years have become less effective.

Public opinion polls prior to the Payment-In-Kind (PIK) Program found that two-thirds of adult Americans opposed government payments to farmers for not planting crops in oversupply. While the public is sympathetic to farmers, they apparently can not reconcile idle land with conditions of domestic and world hunger, with potential increases in food prices, or with the work ethic.

In addition to being politically unpopular, there are also concerns about the

effectiveness of current programs. Some agriculture economists use a rule of thumb: Removal of fifteen percent (15%) of cropland base acres from production will reduce production by only three percent (3%). Other leading economists believe that ten percent (10%) of cropland base acres would not be planted or harvested even if there were no production control program.

Part of the problem of achieving significant crop reduction is that programs encourage some domestic and foreign producers to increase production. When U.S. programs idled about 80 million acres in 1983, other exporting countries were reported to have increased production by adding 40 million acres of cropland. However, the grain loans and reserve programs that hold grain off the market are probably the main reason for such expansion.

Payments made by price support programs are another source of public concern. Since these programs benefit all producers, they are often criticized for redistributing tax income from the poor to the rich. Generally twelve percent (12%) of U.S. farms produce over two-thirds of all products, resulting in an average net family income of about $65,000 per year. The other eighty-eight percent (88%) of the farms that produce about one-third of the products have average family incomes similar to non-farm families. Many of these farm families rely heavily upon off-farm employment for income to offset farming losses. The impact of the farm income support system is the distribution of greater benefits to those with the lease apparent need.

This public perception is politically important because of the rapid increase in voter registration among people with lower income and less net worth than the average farmer. This pressures Congress to limit participation in farm programs according to proven need, rather than helping all producers regardless of income or worth.

Congress is also concerned that the system of price support programs have often been ineffective or counterproductive. A system which protects certain commodities prices actually encourages increased production of those commodities and production shifts away from less profitable, unprotected crops and livestock production. The use of government recourse loans and reserves to set prices quickly builds surplus stockpiles that depress futures prices.

Congressional agriculture leaders essentially have two choices in 1985: (1) to conduct politics as usual and make minor modifications to existing farm programs, a choice which will be ineffective in dealing with overproduction because of limitations on federal spending; and (2) to greatly adjust federal spending priorities in order to warn the agriculture community of reduced price and income protection. Limited resources must be redirected to meet the critical needs of farmers as they face longer periods of low prices. The following is a list of critical needs that government must address to minimize the social cost of a market-oriented agriculture:

*Reduce the potential for financial loss from natural disaster through improvements in the federal crop insurance program.

*Expand markets through aggressive product research, market development, and economic assistance programs.

*Increase production efficiency through aggressive research and education programs.

*Increase the ability of government to be a lender of last resort to compensate for further decline in farm equity.

*Establish a long-term land reserve for major gains in conservation and to provide farmers an alternative to continuing overproduction.

The Land Reserve is the missing link in agriculture policy. It is clearly against the national interests to allow chronic overproduction to deplete valuable natural resources, and to eventually force farmers to compete for other employment.

A Land Reserve provides a partial answer to overproduction while offering substantial benefits in soil, water, and wildlife conservation. Discontinuing production from a small percentage of land can provide disproportionate conservation benefits. For example, the Soil Conservation Service (S.C.S.) has found that nine perecent (9%) of the cropland produces over fifty percent (50%) of soil loss by wind erosion, and sheet and rill erosion. Likewise, the National Water Assessment indicates about one-sixth of irrigated copland, representing about two percent (2%) of total cropland, causes over fifty percent (50%) of the nation's depletion of groundwater supplies. The idling and seeding of selected areas of cropland would produce great advances in reducing total water pollution and in providing needed wildlife habitat.

By targeting land for maximum conservation benefits, the Land Reserve of 1985 could be a great improvement over the Conservation Reserve established in 1956. The latter program involved close to 30 million acres, but failed to control production because farmers were allowed to retire their least productive land. Advances in technology, for identification of the worst problems areas and verification of program compliance, enable participation into the program to be based upon a professional technical determination. By having the S.C.S. determine land eligibility for an Agricultural Stabilization and Conservation Service (A.S.C.S.) administered land

reserve, it would be possible to have greater impact on overproduction and on conservation.

The Land Reserve also promises contributions to the success of the previously listed critical programs. The Reserve may idle marginal land that frequently collects claims against federal crop insurance. The Reserve will show importing countries that the U.S. is a reliable, long-term supplier because of protection of natural resources. It also demonstrates to exporting nations that there is a logical and popular basis for their initiation of acreage reduction programs. Reserve land may also be used for demonstration of new techniques or crops, and provide an incentive for reforestation. The most important point is the program contracts will tend to slow future decline in land values and farm equity by offering an alternative to continuing overproduction. Low prices will rebound faster with a program to store the land rather than the crops it produces.

This long list of potential benefits are dependent upon major appropriations by Congress. The Land Reserve must be a fair and affordable program to warrant such a commitment. Five points contribute to a fair and affordable program:

1. The Reserve must have a release provision to assure reasonable prices for foreign and domestic consumers. The Reserve will have little impact on food prices if reserve contracts allow a return to production during the rare times of high futures prices. This will also encourage greater participation in the program by allowing crop production when there is the greatest opportunity for profit.

2. The Reserve must encourage appropriate land use. For example, the owner of highly eroding cropland should not be rewarded with higher income than neighbors who protect their land. Land only suited for forage crops should receive no more than usual local rental income for that use, regardless of the cropping history of the field. The U.S.D.A. Land Capability Classification for soil types is an appropriate guide for determining proper land use.

   This provision will not appeal to those who manage land solely for short term economic gain. However, that problem must be addressed by a consistent national policy for agricultural resource conservation. The American Farmland Trust has completed an excellent study of policy changes needed for conservation of cropland. Generally, the Federal Government must begin by considering the natural limitations of the land before providing federal benefits such as tax incentives for land conversion; disaster payments, crop insurance coverage, protection from price support programs, cost-sharing on certain conservation practices, and public water from irrigation projects.

   Current legislative proposals in the House and Senate are attempting to end federal incentives for land abuse. The use of a conservation land reserve will provide a federal incentive to return land to an appropriate land use. Until the Federal Government provides this leadership, it is inconsistent for Congress to consider strict cross-compliance between agriculture programs, or other penalties to encourage appropriate land use.

3. The Reserve must avoid competition with local farmers which will result in rising land rents. Government payments need to be slightly less than prevailing local land rent, with the conservation benefits to the landowner providing the remainder of the incentive to participate in the program.

4. The Reserve must avoid grazing provisions which encourage overproduction of forage-fed livestock. Cropland placed in the reserve should have grazing benefits similar to the utilization of crop residuces from grain crops. If additional grazing uses are one of the economic incentives for participation in the reserve, then proportional grazing capacity should be removed from production in major livestock areas.

   This could be accomplished by expanding the land reserve concept to include grazed land. The S.C.S. has found 23 million acres of pasture, range, and grazed forest land with annual soil losses in excess of 14 tons per acre. Major soil, water, and wildlife benefits could be achieved by removing livestock from this land. The cost of this effort would be relatively small since the Census of Agriculture shows private land rent is typically nine times greater for cash grain cropland than for livestock grazing land.

5. The Reserve must limit participation to avoid adverse effects on rural communities. Within certain communities business and employment will suffer if there are no limits on reserve acreage. There is also a need to limit the acreage any landowner can place in the reserve to avoid hardships for tenant farmers. However, a long-term reserve limited to land with greatest conservation benefits will tend to have better geographic and social distribution, and less effect on businesses than past acreage reduction programs.

In addition to these five points there will be other political considerations from various interest groups. It is important for all who influence farm policy to consider the Conservation Land Reserve.

The Reserve can provide the missing link between farm programs and conservation of natural resources. More importantly, the Reserve is an opportunity to bring public support to acreage reduction efforts which are essential for reducing overproduction. It remains to be seen whether agriculture's leadership will accept this opportunity to assure an abundance of food and fiber for the nation's future; or choose the security of existing programs and political relationships. Ben Franklin once said, "anyone who gives up opportunity for security deserves neither." The American farmer deserves the opportunity and security of a major commitment to the Conservation Land Reserve.

STATEMENT OF PAUL E. MARSH, VICE PRESIDENT
THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

Mr. Chairman, and members of the Senate Agriculture Committee. Thank you for the opportunity to present testimony in support of recommendations put forth by myself and other members of the Task Force.

I will focus on two agencies inside USDA - the Soil Conservation Service (SCS) and the Agricultural Stabilization and Conservation Service, or (ASCS). These two agencies are unique because they deliver a service directly to farm families at the local level. Additionally, I will address two issues affecting the Foreign Agricultural Service.

As a former operator and now an owner of a central Indiana family farm, I have had first hand experience with ASCS and SCS on the county level. As a professional farm manager, I worked directly with these agencies in nearly half of the states represented by members of this committee. I know how vital these local services are to the farm family.

Our group made 29 recommendations that present opportunities for improved cost effectiveness and management efficiency. Although several of the recommendations of the Task Force have been effected by USDA administrative power alone, only those recommendations requiring congressional action will be highlighted today.

The first budget reduction can be realized by changing the funding responsibility from the federal to the local level for the delivery of soil conservation technical assistance to farms and ranches. Currently this is a federal obligation of nearly $82 million per year for local personnel positions below the level of District Conservationist. Our proposal (identified as Recommendation 35-3) calls for legislation that will gradually change this funding responsibility to the local level. We believe this can best be achieved through existing local Soil and Water Conservation Districts (SWCD) which already fund a significant portion of conservation support staff at the local level. Currently, SWCD's receive 2/3 of their funding from combined state and local monies. Even if the local technical assistance were totally financed by property taxes, less than 6¢ per acre would be levied annually to cover this local service. By shifting this responsibility to local SWCD's, we would see more control and efficiency in the local use of personnel. With this legislative change we would eventually experience annual savings of $82 million in the federal USDA Soil Conservation Service Budget.

A second area of savings is the reformation of the county ASCS offices to achieve improved efficiency and reduced operational cost. Recommendation 35-1 urges the consolidation of approximately 1/4 of the smallest ASCS offices throughout the country into an adjoining office usually located in the next county. These small offices typically have the workload volume to justify only one to three persons. Increased operating efficiency through specialization and automation would occur from the consolidation and result in a savings of more than $11 million annually, Although some structural changes have occurred over the years, the precedent for the current ASCS office structure dates back to legislation that is nearly 50 years old. Consolidation was not considered in past decades due to problems with rural roads, communication systems and a large number of farmers being served. Transportation systems and communication capabilities have obviously improved and the number of farmers has decreased dramatically.

We believe the primary argument against consolidation - that being a new location would be too far for farmers to drive - is no longer valid.

To test this hypothesis we arranged for a professional telephone survey of 99 randomly selected agricultural producers throughout the U. S. We concluded that farmers were, in fact, already traveling a greater distance than their local offices during the normal course of their business. Since much of the business can be conducted by telephone and the farmer needs to visit the office typically only two to four times per year, the added travel burden does not appear onerous. The cost savings would be significant.

ASCS has plans to install computers in each local office by the end of 1987. After reviewing the results of USDA pilot projects for computerization of local offices we concluded under Recommendations 36-1 through 36-3, that the benefits to automation were so significant that the implementation plan should be accelerated by two full years. We recommend that this committee support ASCS efforts to install computers in local offices, and support legislation that will give the Secretary of Agriculture authority to achieve operating efficiencies from consolidation of small offices.

USDA personnel are still laboring with old fashioned operating systems while the farm family it serves is already using modern personal computers. This schism in technology between the government and the service recipient is costing tax payers more than $19 million dollars per year.

The third area of recommendations for improved cost effectiveness pertains to the National Cooperative Soil Survey program in SCS. A user fee to fund costs necessary to remove serious bottlenecks and accelerate the Soil Survey Program is recommended. These recommendations are identified as AG-37 through AG 37-11 and AG 38-1 through AG-38-5.

A modern soil survey is the basis for all sound land use planning and management decisions. Without a knowledge of the actual soil characteristics on any given farm such as the soil type, its texture, slope and erosion potential, farmers and conservationist cannot begin to make a viable and cost effective plan to prevent one of the more serious threats to U. S. Agriculture - soil erosion. The soil survey is the best source of that information. It is the first, and one of the most important tools used in the prevention of erosion on our Nation's soils.

The Soil Conservation Service has been conducting soil surveys more than 50 years. Today more than 30% of the U.S. has not been surveyed. Additionally, 25% of the surveys that were completed years ago need to be upgraded to modern standards.

When our study was conducted in 1982, the SCS was publishing survey reports at an average rate of 113 per year. At that rate it would take another 17 years to complete the program nationwide. I am sad to report that, according to current USDA estimates the program will not be completed for another 25 years. We cannot, as a Nation, afford the risk of soil erosion for that period simply due to the lack of information.

We found that serious bottlenecks and misallocations of resources were causing the delays in the complex process of producing a soil survey report. According to SCS guidelines, a soil survey should take 8-10 years to complete. Unfortunately we found that it takes much, much longer. It is a travesty that farmers and other governmental, educational and private sector users of these reports must wait, on average, nearly 4 years to receive a published report from the time that field mapping has been completed. Field mapping represents 80% of the time and expense in a soil survey. This delay has been as long as 8½ years in some cases.

These bottlenecks further prevent SCS from fully utilizing the 20% cost sharing that is contributed by state and local sources. For example, in Illinois the State Soil Scientist received commitments from state and local cost sharing contributors to begin 13 new soils surveys. Some of these were to encompass areas of highly erodable soils. However, due to bottlenecks in the present production system only 3 new surveys could be scheduled.

Our Task Force analyzed this entire process in detail and made eleven recommendations that, when fully implemented, would save an estimated $300 million, in 1982 costs, over the life of the program. The recommendations would reduce the total elapsed time for completing a soil survey from about 10 years as planned (but not being achieved now) to about 5 years.

Cost savings for taxpayers in the form of reduced soil erosion resulting from the information contained in the soil survey are incalculable. The added cost of food for consumers caused by soil erosion is also impossible to guess. However, these hidden costs are more likely to have nine zeros after them than 6 zeros or 3 zeros.

Although significant savings over the life of the National Cooperative Soil Survey Program are possible, we do not advocate a reduction in funding at this time. In fact, in order to achieve long term results an initial investment of approximately $7 million (estimated by USDA) would be necessary to eliminate the bottlenecks in the system today.

To fund these expenditures and accelerate production of soil surveys, we recommend legislation that would authorize the Secretary of Agriculture to charge a reasonable user fee for the soil survey reports. Since state and local sources now contribute roughly 20% of the cost of a soil survey, a revenue sharing agreement should be provided. By doing so, more incentive is created to disseminate the survey reports. Although the technical reliability of a survey report is very seldom questioned by users, we believe that a charge for this report will crystalize the perception among users that, "you get what you pay for."

Two recommendations (AG-40-1 and 40-2) suggest changes in the ASCS county community committee election process that will save $7.8 million annually. House bill H.R. 3845 before you now encompasses most of our recommendations, We urge swift passage of this legislation.

The area of Export Promotion of commodities was the subject of great scrutiny and resulted in 26 recommendations. It is difficult to summarize them given the fact that they cover a wide and diverse range of activities of the Foreign Agricultural Service of USDA. I will therefore touch briefly on the most important ones which can be impacted by legislation.

In the area of financing costs for export promotion, USDA could effectively reduce the financing costs to the foreign buyers of our commodities by approximately 2 percentage points by changing the regulations of existing guarantee export programs. These lower costs would be achieved by using the guarantees which are already being granted by the Federal Government more effectively. In 1982, the interest rate subsidies were estimated to be approximately $262 million over a three year period. By obtaining an opinion from the Attorney General or passing legislation that would define the "obligations" of CCC to include contingent liabilities, the export market expansion impact of the interest rate subsidies could be doubled.

P.L. 480 is a food aid program designed to help less fortunate countries feed their people. Current regulations require half of all exports made under the P.L. 480 be made on privately-owned U.S. flag commercial vessels. This requirement alone costs more than $407 million

over a three year period. The original intention of this requirement was to provide incentives to the private sector to provide the United States with a modern merchant marine capable of supporting a war effort should the need arise. In effect, the U.S. flag dry bulk carrier fleet that is used for commodity shipments consists of 20 vessels which average 20 years in age. Cargo preference requirements are a costly failure and should be eliminated.

In conclusion, we have addressed several improvements requiring legislative authority and budgetary support for the delivery of certain USDA services to local farm and ranch families as well as improvements in the Foreign Agricultural Service. Although many of our recommendations require administrative action within USDA, your support of these legislative recommendations will produce significant savings in the ASCS and Soil Conservation Service budgets and $670 million over 3 years in the area of export promotion expenses. We believe they represent sound, common sense ideas to improve the delivery of services to farm families in a way that will give more value to taxpayers.

[The following material was inserted at the request of Senator Jepsen:]

TRENDS IN EMPLOYMENT AND APPROPRIATIONS AT THE SOIL CONSERVATION SERVICE

(By Jeffrey Zinn, Specialist in Natural Resources, Environment and Natural Resources Policy Division, Congressional Research Service, the Library of Congress)

Some critics have alleged that an increasing portion of annual appropriations to the Soil Conservation Service (SCS) are paying staff salaries but the staff is growing smaller; therefore, less assistance is available to producers. This report at Congressional request addresses that allegation. Table 1 reviews the history of the number of employees, obligations for staff, and total SCS appropriations during a 10-year period between 1973 and 1982. The data and their implications are discussed below.

BACKGROUND

The principal job of the Soil Conservation Service is to provide technical assistance in planning, installing, and maintaining soil and water conservation projects. Technical assistance requires a large staff commitment to meet with and assist farmers. The activities conducted under technical assistance are staff-intensive when compared with programs in other agencies that deal primarily with dispensing funds for conservation purposes such as the Agricultural Conservation and Stabilization Service and Farmers Home Administration. That is, a larger portion of appropriated funds are used to pay for salaries and benefits. Technical assistance is provided through field offices in most counties in the country staffed by SCS employees with support from state offices and regional centers. Typical assistance includes developing conservation plans that include conservation practices, such as terraces or farm ponds, and helping to see that they are properly installed. The availability of technical assistance at the local level is designed to encourage landowners and users to incorporate conservation practices into their farm operations.

Technical assistance is only one aspect of the Department of Agriculture's (USDA) conservation program. Producers are also encouraged to practice conservation with the availability of cost-share funds through the Agricultural Stabilization and Conservation Service, conservation loans from the Farmers Home Administration, and education programs through the Extension Service. Several other agencies in USDA provide more specialized or supporting assistance to conservation efforts, such as the research programs conducted by Agricultural Research Service.

Technical assistance is part of the Conservation Operations Program, SCS's major activity. In FY 82, Conservation Operations received 54 percent of the SCS budget, and more than 75 percent of this program's budget was applied to the technical assistance activity. Conservation Operations is staff-intensive; 85 percent of the appropriated funds pay salaries and benefits. Other activities sharing the remaining 25% of the budgeted amount for Conservation Operations include:

1. inventorying and monitoring soil, water and related resources data,
2. conducting a survey of the nation's soils,
3. forecasting water supplies based on snow surveys.
4. operating plant materials centers where plants are evaluated for their suitability for erosion control or soil or water conservation, and
5. resource appraisal and program development, at five year intervals, of soil and water conservation programs.

The remainder of the Service's budget is used for other programs: river basin surveys and investigations, watershed planning, watershed and flood prevention operations, the Great Plains Conservation Program, and resource conservation and development. Of these, the major program, as measured by budgeted amounts, is watershed and flood prevention operations. In FY82, this program area, which includes construction of small watershed project, received 34 percent of the SCS budget.

TRENDS

Table 1 presents employment, staff obligation, and budget authority data for SCS and for the technical assistance program. Each of these data series of this agency's history exhibits discernable trends. These trends are discussed in this section.

Overall employment in the Soil Conservation Service has been slowly dropping. In fact, SCS reached its employment peak with 16,444 employees in 1965. Between 1973 and 1978, employment varied a little, dipping for one year in 1974. But it can be viewed as more-or-less constant, varying by less than 8 percent during those five

years. If the 1974 dip is not considered, it varied by less than 4 percent. Beginning in 1979, however, employment has dropped in a relatively consistent pattern. The overall loss during these five years has been 1,777 employee staff-years or more than 12 percent since 1978. Data for 1983 were not included because the Emergency Jobs Act (PL 98-8) provided $107.5 million in appropriations and over 95% of that total went to the small watershed program. This one-time appropriation skews trends in the data for 1983.

Employment in the technical assistance activities of the Conservation Operations Program exhibits a similar pattern to overall SCS employment trends. Between 1973 and 1978, employment slowly increased, but since 1978, it has declined 11 percent. Since 1978, each year's full-time equivalent staff ceiling for staffing has been less than the preceding year.

While employment can be characterized as relatively constant through 1978 and then declining, the obligations for the SCS staff can be characterized as growing constantly and at a steady pace. The obligations data for each year are higher than for the preceding year. But the annual increase is greater than 10 percent only from 1980 to 1981. Obligations continued to rise at rates similar to the 1973–1978 period after 1978, even as employee figures decline. This difference appears mostly attributable to annual salary increases. Grade creep may also have played a role.

Total budget authority to SCS rose to its highest level in 1978; since that time, it has remained relatively constant. Before 1978, it never exceeded $500 million. After 1978, it has not declined below $500 million.

Budget authority for technical assistance has continued to rise. In 1978, the technical assistance activity was 31 percent of the entire SCS budget authority. By 1982, it had increased to 41 percent. Changes in the overall SCS budget authority are guided by changes in other programs and activities, especially the Small Watershed Program. However the budget authority for technical assistance has increased at a time when employment in that activity has been declining.

Budget authority and obligations data are not identical. Budget authority has often been followed by supplemental appropriations to cover salary increases and new or expanded responsibilities, as well as new or expanded authorizations, such as the Emergency Jobs Act. The largest single-year increase in budget authority during the 10-year period occurred from 1977 to 1978. Approximately $100 million of the $140 million increase for that year provided additional funding for the emergency small watershed program, and was a response to severe flooding in Pennsylvania and in the Dakotas.

It is always risky to presume that any trend can be predicted to continue in the future. But some believe that trends in employment and budget authority have affected the capability of the agency to perform its mission in the past. These critics believe that if these trends continue, the ability of SCS to effectively perform its mission will decline.

DISCUSSION

The Soil Conservation Service uses about a third of its total funds to pay for staff. In 1978, with the large appropriation for watershed work, the percentage of total budget authority devoted to staff obligations reached a low, 28.7 percent. Since then, it has been rising constantly, and has risen by more than 10 percent. In 1983, it is likely to go down because of the emergency jobs legislation. But, a question remains whether staff will take up a growing portion of appropriations once again in FY 84.

Over the 10 years for which data are presented, two trends are apparent. The trend up to 1978 was less money, as a percentage of total budget authority for staff obligations, and a constant level of employment. By contrast, the trend since 1978 indicates less service may be available from SCS for farmers because employment is declining overall and in the technical assistance program, which provides much of the direct farmer assistance. This trend is occurring at a time when a growing number of conservation policy analysts are looking for new ways to increase the ties between general agricultural policy goals and conservation goals. Declining staff and a declining proportion of the budget for farmer services, at least through SCS, will not make the task facing these analysts to convince others that closer ties are desirable, any easier.

Table I.—SCS EMPLOYMENT AND APPROPRIATIONS TRENDS

Year	Employment [1]		Obligations for SCS Staff [2]	Budget authority [3]		SCS staff obligations as percent of SCS budget authority (percent)
	SCS (all)	T.A.		SCS (all)	T.A.	
1973	15,690	8,841	$124,503	$397,851	$137,475	31.3
1974	14,737	8,460	128,185	383,222	138,686	33.4
1975	15,436	9,188	138,005	388,680	162,025	35.5
1976	15,675	9,179	144,781	496,844	165,500	29.1
1977	15,908	9,013	157.752	462,514	174,257	34.1
1978	15,805	9,138	172,851	602,713	187,211	28.7
1979	15,421	8,704	183,821	504,473	192,643	36.4
1980	15,167	8,497	194,713	537,899	206,412	36.2
1981	14,764	8,383	216,224	588,233	234,035	36.8
1982	14,028	8,177	224,770	577,044	233,916	39.0

[1] Employment figures are in staff years (based on 2080 hours/staff year). T.A. is technical assistance activity under the Conservation Operations Program.

[2] Obligation are total personnel compensation which includes full time equivalent and other compensation, in thousands of dollars.

[3] Does not include any supplemental appropriations, in thousands of dollars. T.A. is technical assistance activity under the Conservation Operations Program.

Sources: Employment and SCS Appropriations from SCS budget office; obligations from U.S.D.A. Budget, Appendix I for Soil Conservation Service.

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